

HSBC No-Load Funds SICAV p.l.c.

Annual Report and Audited Financial Statements

For the year ended 30 April 2016

Company Registration Number: SV7

HSBC No-Load Funds SICAV p.l.c.

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Directors, officers and other information

For the year ended 30 April 2016

Directors

Prof. Peter Xuereb LLD, LL.M(London), PhD (Camb) (Chairman) (resigned 6 June 2016)
Joseph D. Camilleri (appointed 12 July 2016)
Muriel Rutland B.Com (Hons) Banking and Finance
Steven Tedesco MCSI (Member of the Chartered Institute for Securities & Investment)

Manager

HSBC Global Asset Management (Malta) Limited
80, Mill Street
Qormi QRM 3101
Malta

Fund Administrator and Registrar

Deutsche International Corporate Services (Ireland) Limited
Pinnacle II, Eastpoint Business Park,
Alfie Byrne Road,
D3 Dublin,
Ireland

Secretary

Ganado Services Limited
171, Old Bakery Street
Valletta VLT 1455
Malta

Registered Office

171, Old Bakery Street
Valletta VLT 1455
Malta

Company registration number

SV 7

Depositary/ Custodian

(Effective from 29 April 2016)
Deutsche Bank AG (Dublin)
Pinnacle 2,
East Point Business Park,
Dublin, 3,
Ireland

(Up to 28 April 2016)

Deutsche Bank (Malta) Limited
Forni Complex 1E,
Level 2, Pinto Wharf,
Valletta Waterfront,
Floriana, FRN 1913,
Malta

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Directors, officers and other information (continued)

For the year ended 30 April 2016

Sponsoring stockbroker

Neville Curmi ACIB
Curmi & Partners Ltd
Finance House, Princess Elizabeth Street
Ta' Xbiex MSD 1102,
Malta

Legal Advisers

Ganado & Associates
171, Old Bakery Street
Valletta VLT 1455
Malta

Independent Auditors

PricewaterhouseCoopers
78, Mill Street,
Qormi QRM 3101
Malta

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Manager's Report

For the year ended 30 April 2016

Review of International Bond Market

The start of the year under review was characterised by yields in Europe reversing course after reaching all-time lows in April 2015. This did not augur well for European bonds, and as a matter of fact, Eurozone sovereign bonds suffered significant losses in both May and June. Since then, the performance of Eurozone sovereign bonds has been generally positive, resulting in an overall positive return over the twelve months ending 30 April 2016.

A similar pattern of first-quarter losses being reversed by the end of the period also materialised for other developed market sovereign bonds. However, the performance of non-Eurozone sovereign bonds was generally more lucrative. During the year, the US Treasury market and the Japanese government bond market returned 2.9% and 6.68% in their respective local currency terms.

In what follows we present a chronological synopsis of the main events that drove the global sovereign bond market sentiment and dynamics during the twelve-month period ending 30 April 2016.

During the initial months of the year under review, economic data pointed to a dip in US economic growth momentum. This was attributed to seasonal factors such as the adverse winter weather conditions, the sharp decline in oil related business investment, as well as the negative effects related to a stronger US dollar. The US Federal Reserve (Fed) acknowledged this soft patch in economic data, and financial market participants pushed back their expectations for the first policy interest rate rise to December 2015. By June, the Fed had acknowledged that US economic growth had regained some momentum following the slowdown in Q1 2015. However, Fed Chair Janet Yellen highlighted that business fixed investment and net exports remained soft and that policymakers still wanted to see more decisive evidence of economic strength before tightening monetary policy.

One of the most significant developments of Q2 2015 was related to economic growth data coming out of Europe. Statistics showed that Eurozone Q1 2015 GDP grew by 0.4% q.o.q. on an annualised basis. This quarterly growth was the strongest since the recovery began. Conversely, data published during Q2 2015 showed that Chinese economic growth slowed to 7% y.o.y. in Q1 2015, the lowest rate since 2009.

In her semi-annual testimony to Congress in July 2015, Janet Yellen was slightly less dovish than in previous communications. This was echoed in the Fed's July statement that was released later on in the month. The reference to weak GDP growth in Q1 2015 was dropped while the labour market was described as being characterised by 'solid job gains and declining unemployment'. With Federal Open Market Committee (FOMC) participants having declared in June that they would need to see 'further improvement in the labour market' to hike rates, they now stated that it would take only 'some' further improvement, which suggested that the FOMC had moved a step closer to alter its policy stance.

The sharp decline in the price of Chinese equities was another factor that impinged on investor sentiment during July. After hitting a peak in mid-June, the Shanghai Composite Index fell more than 30%, impacting other asset classes. To prevent an excessive market correction, the Chinese authorities intervened decisively in mid-July to stabilise market sentiment. This was done through conventional monetary easing.

Developments in China continued to reverberate in August. The main trigger was the People Bank of China's (PBOC's) announcement of a 'one-off' 1.8% devaluation of the exchange rate of the yuan against the US dollar. The move to a new fixing mechanism had ripple effects across the region and injected significant volatility into Asian financial markets, affecting currencies, debt securities, and equities. Later in the month, as economic concerns mounted and Chinese markets continued to retreat, the PBOC decided to cut policy interest rates.

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Manager's Report (continued)

For the year ended 30 April 2016

With the Fed seen moving closer to action at its July meeting, investors continued to be on the lookout for further signals of a possible hike in interest rates at the FOMC's September meeting. Minutes of the July FOMC meeting were perceived as dovish and showed that the Fed's policymakers were still divided about the situation of the US economy. Weak Chinese economic data, the devaluation of the yuan and global financial market volatility also raised speculation that the Fed could hold off raising rates. Overall market expectations for Fed action in September fell significantly during August.

Despite the above-mentioned concerns, the US economy remained a bright spot among the major developed economies, with GDP growth for Q2 being revised up to 3.7% q.o.q. on an annualised basis, from 2.3% in the advance release. In the Eurozone, data also remained fairly positive. Although GDP growth slowed to 0.3% q.o.q. in Q2, slightly below expectations of 0.4%, other indicators such as PMIs remained robust.

In September, US policy interest rates were kept on hold. The Fed cited a protracted slowdown in emerging markets' growth, in addition to the recent volatility in financial markets, as the main reason for maintaining its dovish stance. Compared to its June projections, the Fed raised its growth forecast for 2015 on the back of a strong second quarter and an upward revision to first quarter data, but lowered its GDP growth forecast for 2016. Projections for inflation were also revised lower amid sliding commodity prices and softer global economic growth.

The European Central Bank (ECB) kept policy rates unchanged in September, but the central bank extended the pool of eligible bonds for its asset purchase programme and raised the issue limit to 33% from 25%, meaning that it may buy up to 33% of the outstanding amount of a particular issue. In addition, Mr Draghi signalled that the quantitative easing programme, due to expire in September 2016, could be extended beyond this date if need be. This was considered as a signal that the ECB would make full use of its tools in order to bring inflation back to target, which at the time was well below 2%.

Global risk appetite returned in October as increasing risks to the outlook for growth and inflation initially raised expectations that major central banks could maintain, or possibly extend, loose monetary policy. While the ECB was more dovish than expected and indicated that it could ease monetary policy further in December, the Fed signalled its willingness to raise rates in December. Investors read this as a signal of confidence in the US economy.

Chinese data issued in October showed that real GDP y.o.y. growth during Q3 was of 6.9%, slightly beating expectations. In response to the economic slowdown, deflationary pressures, capital outflows, and fall in foreign reserves, the PBOC lowered its benchmark one year deposit rate and lending rate by 25 basis points to 1.50% and 4.35% respectively, and announced a 50 basis point cut to the reserve requirement ratio.

In November Fed speakers gave the strongest hints to date that the US policy rates could rise in December. Meanwhile in Europe, the ECB continued to hint towards further easing in December. In terms of economic data, Eurozone figures failed to impress as headline CPI inflation for October printed close to zero and GDP growth printed slightly lower than consensus.

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Manager's Report (continued)

For the year ended 30 April 2016

At its December FOMC meeting, the Fed raised the upper and lower bounds of the federal funds target by 25 basis points to 0.50% and 0.25% respectively. The Fed also signalled the gradual retraction of the ultra-loose policy stance that had been in place for a long period of time. During the same month, the ECB announced a number of policy changes. Firstly, the Governing Council decided to cut the deposit rate by ten basis points to -0.3%. The central bank also announced that the asset purchase programme would be extended by six months until March 2017, or until the Governing Council notes an improvement in inflation metrics. Furthermore, the programme was expanded to allow purchases of regional and local government debt and the reinvestment of the principal of maturing debt securities. Market participants were somewhat disappointed by these changes as they had been pricing-in a sharper cut in the deposit rate and an increase in the amount of monthly purchases.

The first weeks of 2016 saw heightened market volatility, with risky assets underperforming safe-haven assets like developed market sovereign bonds and gold. This was a result of a concoction of factors inter alia falling inflation expectations, falling oil prices, and renewed worries about the health of the Chinese economy and the potential implications for the global economy.

In the US, economic data released during February showed signs of a mild slowdown in the service sector. In contrast, labour market data was encouraging. During the month, Janet Yellen delivered her semi-annual Monetary Policy Report Testimony to the House Committee on Financial Services, in which she acknowledged that global developments and market turmoil could potentially weigh on the outlook for monetary policy.

In Europe, February saw further signals from the ECB that it would ease policy further at its monetary policy meeting in March. In another significant development during the same month, the UK's Prime Minister announced that the UK will be holding a referendum in June whereby people will vote on whether the UK should continue to form part of the EU.

In March, markets enjoyed a boost in risk appetite as commodity prices increased, global macro data showed signs of improvements, the ECB provided further stimulus, and the Fed issued a dovish statement. The ECB surprised markets by lowering all three policy rates, increasing the monthly asset purchases by EUR20 billion to EUR80 billion, and expanding the pool of eligible securities for purchase to include investment grade rated non-bank corporate bonds. During the press conference, Mr Draghi indicated that he did not anticipate the need to reduce policy rates further. Another significant development was related to the revision of interest rate projections by the Fed, with an implicit forecast of two rate hikes in 2016, down from four in December.

By the end of April, fears of a global economic slowdown declined and investors were in a somewhat wait and see mode for June's Fed meeting and the outcome of the Brexit referendum.

To conclude this review of the international sovereign bond market we present a table illustrating the movement in yields in a selection of benchmark instruments.

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Manager's Report (continued)

For the year ended 30 April 2016

Security	30-April-15	30-April-16	Change (bps)
10 Year Bund	0.37%	0.27%	-10
10 Year Italy	1.50%	1.49%	-1
10 Year Ireland	0.92%	0.97%	+5
10 Year Spain	1.47%	1.59%	+12
10 Year US Treasury	2.03%	1.83%	-20
10 Year Gilt	1.83%	1.60%	-23

Source: Bloomberg

Subsequent to the reporting period, the international bond market was impacted by the UK's decision to exit the European Union. The yield on the 10-year gilt fell from 1.42% as at the end of March to 0.87% by the end of June, with much of the decline being registered after the 'Brexit' vote on 24 June. Furthermore, the yield on 10-year US Treasuries declined to 1.47%, while the 10-year Bund yield declined to -0.13% in what was a clear flight to quality assets in light of the heightened economic and political uncertainty. This environment favoured the sovereign bond market as opposed to other riskier segments of the bond market.

Review of Maltese Government Bond Market

After registering a yearly growth of 3.7% during 2014, Malta's real GDP growth for 2015 came in at 6.3%. This was driven by the strong growth in investment and the growth in private consumption. The European Commission expects growth to moderate in 2016 and 2017, and to become driven more by private consumption and less by investment activity. The public deficit as a percentage of GDP and gross public debt as a percentage of GDP are both expected to improve further during 2016 and 2017, while the unemployment rate is projected to remain stable.

In January 2016, Standard & Poor's Ratings Services affirmed its 'BBB+/A-2' long and short-term foreign and local currency sovereign credit ratings for Malta. The rating agency retained its positive outlook, implying a one-in-three probability of a rating improvement by mid-2017. Standard and Poor's stated that the ratings and outlook reflect Malta's economic growth prospects and the ongoing improvement in public debt metrics. Having said this, the ratings remained constrained by the Sovereign's contingent liabilities and the comparatively low degree of economic diversification.

Turning to the specifics of the bond market, the Central Bank of Malta (CBM) has continued to assume the role of market maker for Malta Government Stocks (MGS). Furthermore, in March 2015 the CBM started to buy MGS to fulfil its mandate under the ECB's Public Sector Purchase Programme. By the end of April 2016, the cumulative net monthly purchases by the CBM stood at EUR483 million with a weighted average remaining maturity of 10.15 years.

At the beginning of the financial year, Bloomberg's 10-year MGS Index was priced at 1.33%, while the 10-year German Bund was trading at 0.37%. This translates in a spread of 96 basis points in favour of the 10-year MGS. During the year under review, the spread traded in a range between 83 basis points and 123 basis points. The spread between the two sovereigns ended the period at 104 basis points with the 10-year MGS yielding 1.31% and the 10-year German Bund trading at 0.27%.

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Manager's Report (continued)

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In terms of primary market activity, the Government Treasury issued EUR472 million worth of MGS during 2015. This was spread over four issuance cycles with bid-to-cover ratios ranging from 1.69x to 3.87x. MGS issuance for 2016 is set not to exceed EUR600 million, circa 25% higher than the indicative maximum amount that was set for the previous year. During Q1 2016, the Malta Government Treasury issued EUR280 million worth of securities.

The following table illustrates the movements in yields across various points on the Maltese sovereign yield curve:

	30/04/2015	30/04/2016	Change (bps)
MGS			
2-year yield index	0.11%	0.02%	-9
5-year yield index	0.61%	0.40%	-21
10-year yield index	1.33%	1.31%	-2
15-year yield index	1.76%	1.80%	+4

Source: Bloomberg

Malta Government Bond Fund

During the year under review, the unit price of the Accumulator and Income Shares moved as follows:

- The Accumulator Shares increased by 0.17%, from EUR490.78 (30 April 2015) to EUR491.61 (29 April 2016)
- The Income Shares decreased by 1.98%, from EUR359.84 (30 April 2015) to EUR352.72 (29 April 2016)

The Fund paid the following dividends (net of administration fee) to the holders of the Income Shares Class over the financial year under review:

- a) EUR1.561 per share (net annualised yield of 1.76%) declared on 31 July 2015.
- b) EUR1.498 per share (net annualised yield of 1.71%) declared on 30 October 2015;
- c) EUR1.304 per share (net annualised yield of 1.48%) declared on 30 January 2016;
- d) EUR1.402 per share (net annualised yield of 1.59%) declared on 30 April 2016.

Over the year under review, the Fund Manager remained focused on controlling for interest rate risk. The Fund Manager maintained a preference towards MGS as opposed to non-Maltese sovereign debt. The Fund remained active in the domestic primary and secondary markets and sought to take opportunity from specific movements in the Maltese sovereign yield curve to reposition some of its exposures across the curve.

Going forward, the main risk to the Fund's performance will likely emanate from the volatility in the MGS market. Should such volatility materialise, it would probably be a reflection of volatile bond prices elsewhere in Europe. The potential triggers of such a development include (i) abrupt changes to the inflation outlook; (ii) uncertainty related to long-term implications of the UK's decision to leave the EU; and (iii) prolonged political uncertainty in certain Eurozone countries.

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Manager's Report (continued)

For the year ended 30 April 2016

Review of Local Equity Market

The local equity market continued to soar in value during the year under review, increasing by 20.67%, on the back of extremely positive performances from most of the companies listed on the Malta Stock Exchange (MSE), most notably RS2 Software (143.27%), Mapfre Middlesea (80.33%), Simonds Farsons Cisk (82.69%), and Medserv (58.78%). This came in light of the still very low interest rate scenario in the Eurozone, which continued to boost demand for local equities which offers attractive dividend yields. The only stocks which lost value during the year under review were Grand Harbour Marina and HSBC Bank Malta which registered a fall in the share price of 4.51% and 13.42% respectively.

As can be seen from the table below, the two largest banks continued to struggle due to the record low interest margins as well as the ever increasing costs to keep up with the increasing regulatory measures. However, withstanding this, smaller banks still experienced rallies in their share price, mainly reflecting expectations of improving fundamentals and cheap valuations.

Table 2: Maltese Stock Exchange Index

		30/04/2015	30/04/2016	Change %
MSE Index (Price Return)	€	3,767.66	4,546.50	20.67%
Bank of Valletta p.l.c.	€	2.118	2.250	6.23%
HSBC Bank Malta p.l.c.*	€	1.871	1.620	-13.42%
International Hotels Investments p.l.c.*	€	0.660	0.650	-1.52%
GO p.l.c.	€	2.840	3.479	22.50%
Malta International Airport p.l.c.	€	3.460	4.350	25.72%
RS2 Software p.l.c.**	€	1.560	3.795	143.27%
Mapfre Middlesea Insurance p.l.c.	€	1.220	2.200	80.33%
Simonds Farsons Cisk p.l.c.	€	3.350	6.120	82.69%
Lombard Bank Malta p.l.c.*	€	1.810	2.135	17.96%
Medserv p.l.c.*	€	1.128	1.791	58.78%
MIDI p.l.c.	€	0.280	0.390	39.29%
Maltapost p.l.c.	€	1.421	1.980	39.34%
Tigne Mall p.l.c.	€	0.800	1.150	43.75%
Malta Properties Company p.l.c.***	€	0.330	0.568	72.12%
Plaza Centres p.l.c.	€	0.945	1.040	10.05%
Malita Investments p.l.c.	€	0.910	0.920	1.10%
Grand Harbour Marina p.l.c.	€	0.943	0.900	-4.56%
FIMBank p.l.c.*	\$	0.480	0.770	60.42%
6pm Holdings p.l.c.*	£	0.750	0.960	28.00%
*Price adjusted for bonus issues				
** Price adjusted for stock split				
*** Admitted for trading in November 2015				

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Manager's Report (continued)

For the year ended 30 April 2016

Bank of Valletta p.l.c.

Bank of Valletta's (BoV) share price increased by 6.23% during the year under review, amongst the worst performers when compared to the large gains in stock prices of other companies on the MSE during the past year.

The Bank reported a profit before tax of EUR117.9m for the financial year ended on 30 September 2015. This represents an increase of 13% when compared to the pre-tax profit of EUR104.1m reported last year. These results were achieved in a period characterised by high levels of liquidity and persisting low interest rates, in the context of steady economic growth on the local scene, and a subdued euro area economic scenario.

Results for the year were driven by an improved interest margin income and satisfactory growth in commission and trading income. On the other hand, increased regulatory costs and continued investment in Human Resources and Information Technology resulted in higher costs.

The persisting low interest rate scenario impacted both the Retail and the Treasury segments. The retail margin reflects a lower effective interest rate on advances, which is partly due to the changing mix of the loan book. This was offset by a reduction in interest payable, as customers' preference for short term deposits continued. While the pressure on the margin earned on the Treasury business continued, it was partly mitigated by higher volumes of investments.

The introduction of a new regulatory reporting regime as part of the Single Supervisory Mechanism, as well as the contributions towards the Deposit Guarantee Scheme and the Single Resolution Fund resulted in a substantial increase in regulatory costs.

BOV had also announced its intention to list a 12-month Subordinated Debt Issuance Programme, with the maximum aggregate principal amount of Notes that can be issued under the Programme not exceeding EUR150,000,000. The Notes to be issued under the Programme will form an integral part of BOV's capital plan and will be aimed at further strengthening its Tier 2 Capital as required by European banking regulations. The net proceeds from the issue of the Notes will also be used by the Bank to meet part of its general financing requirements. To date, EUR125,000,000 worth of debt has been issued by the Bank, with EUR111,000,000 being taken up by investors.

HSBC Bank Malta p.l.c.

In line with the negative sentiment in the banking sector, HSBC's share price was the worst performer during the period after review, registering a loss of 13.42%.

The Bank reported a profit before tax of EUR46.8m for the year ended 31 December 2015, a decrease of EUR5.3m when compared to the EUR52.1m reported for 2014. However, on an adjusted basis, excluding the effect of non-recurring expenses for the early voluntary retirement provision of EUR 14.7m, profit before tax was up EUR9.3m or 17.9% on the previous year. As in the case of other banks, this performance reflected the continuing low interest rate environment, muted commercial lending growth and an increase in costs as a result of compliance investment and new regulatory charges. All three main business lines, Retail Banking and Wealth Management, Commercial Banking and Global Banking and Markets, continued to be profitable during the year.

Net interest income increased to EUR127m compared with EUR122.6m in 2014. This was largely impacted by pressure on lending margins on both retail and commercial loan portfolios, declines in yields on the investment portfolio despite the growing portfolio balance as maturing higher yielding bonds could be replaced only at significantly lower rates.

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Manager's Report (continued)

For the year ended 30 April 2016

On the other hand, operating expenses of EUR118.8m were also higher, compared with the EUR139m reported during the previous year. The early voluntary retirement programme launched at the end of the bank's financial year, as part of the bank's efforts to improve productivity and cost effectiveness, was the main driver for the increase in 2015 costs. Excluding this one-off investment that is expected to yield sustainable savings in future years, operating expenses were up 6% compared with 2014.

Net loans and advances to customers at EUR3,285m were 0.5% up on 2014. This was mainly supported by government incentives for first time buyers, the mortgage book, the bank's largest lending portfolio, continued to perform well resulting in a net growth of over EUR60m in 2015. This, however, was offset by the reduction in corporate lending where repayments were higher as a result of the persistent low interest rate environment.

The Board has declared a total gross dividend for the year of EUR0.077c (EUR0.05, net of tax). This represents an increase in the dividend payout ratio from 55% in 2014 to 65% this year, reflecting strong underlying profitability and capital strength.

GO p.l.c.

GO performed well during the year under review, experiencing an increase in share price of 22.50% after a rather volatile year, where GO's share price increased sharply during the summer months, falling again towards the end of the year and regaining back share price as the New Year progressed.

The Group reported an operating profit of EUR27.8m, an increase of 27.9% over the prior year's result of EUR21.8m. This result was achieved from a combination of increased revenue and reduction in costs. However, both years included items considered to be of unusual nature, size or incidence relating to voluntary retirement costs and provision for pensions, as well as fair value adjustments to derivative financial instruments and investment in joint ventures. These one-off events caused reported net profits for the year to shoot up from EUR8m in 2014, to EUR26.4m in 2015. Revenue generated stood at EUR123.7m in 2015, which is 1.2% ahead of the previous year as the Group managed to grow revenue from retail activities, which made up for the decline in income from wholesale activities. On the other hand, costs excluding unusual items amounted to EUR96.3m, compared to EUR99.1m in the previous year.

During the year GO completed the spin-off of its property arm, Malta Properties Company p.l.c. which as of last November is quoted separately on the Malta Stock Exchange. As a result of the spin-off shareholders enjoyed a net dividend of EUR0.33, the highest in the Company's history. The telecommunication company also reported an upside of EUR 7m in the value of its options on Cablenet equity, as the Cypriot economy is showing positive signs and the company is progressing well with expectations.

Finally, the company declared a net dividend of EUR0.10c for the year, apart from the shares in Malta Properties Company that shareholders of GO received. This represents a 43% increase from the dividend declared in the previous year.

Medserv p.l.c.

Medserv performed very well during the year under review, with its share price soaring by 58.78%, from EUR1.128 (adjusted for bonus issues) to EUR1.791 by the end of the period.

The company's profit after tax increased significantly from EUR2.2m in 2014, to EUR4.5m in 2015. Revenues for the year increased by 31%, to EUR42.2m, mainly attributable to the increase in the volume and portfolio of logistics services being provided to the oil majors and their sub-contractors throughout their drilling programs.

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Manager's Report (continued)

For the year ended 30 April 2016

In June 2015, the Group sold its 60% shareholding in Medserv Misurata FZC to the Misurata Free Zone Authority. Management took a decision to close the Misurata base permanently as activity remained minimal. The loss from discontinued operations net of tax for 2015 amounted to EUR219,000.

In the beginning of 2016, Medserv announced the acquisition of Middle East Tubular Services (METS) Group for a price of US\$45m. This investment will take Medserv into the Middle East, where METS operates from three free zone base facilities located in the United Arab Emirates (UAE), in Southern Iraq, and in Oman, where the extraction cost of a barrel of oil can better withstand today's downward pressure on prices. Furthermore, the METS acquisition brings to the Medserv Group strong intercompany synergies. Despite that both Medserv and METS operate within the oil and gas sector, their respective services are complementary and can be introduced in all of the bases operated by the enlarged Medserv Group across the Mediterranean and the Middle East.

Malta International Airport p.l.c.

Malta International Airport's share price also registered a strong performance during the year under review with an increase of 25.72%, reflecting the fundamental strength of the company and the attractive dividend yield of the company.

With record passenger movements of 4.61m during 2015, MIA has seen its passenger movements for the year increase by 7.7%, as compared to the previous year. This performance was a result of new routes and an increase in the frequency of existing routes, as well as better seat utilisation.

Increases in revenues were registered by both the Company's aviation and non-aviation segments. These amounted to EUR67m for 2015, up from EUR64.3m in 2014. Aviation revenues, which grew by 4% to EUR46.4m, were largely attributable to the record number of guests travelling through the airport last year. With an increase of 5% to EUR20m, the Company noted that it had once again achieved its target split of 30% of Group revenues for its non-aviation segment. SkyParks Business Centre was a key driver for non-aviation results, most notably since it has now reached its full retail and office potential. Contributions from the airport's retail outlets, car park, and the VIP segment also led to growth in non-aviation revenues.

With regards to expenditure, staff costs were reduced from EUR9.1m in 2014 to EUR8.3m in 2015, mainly due to staff reductions following an offered early retirement scheme. Despite this, operating costs increased by 8% over the last year, mainly due to new contracts awarded and additional administrative and marketing costs.

This has resulted in an increase of profit for the year from EUR16.8m in 2014 to EUR18.9m in 2015, an increase of 12.9%. However, this included a pre-tax gain of EUR1.86m that MIA realised when selling its stake in the Valletta Cruise Port. The company declared a final net dividend for the year of EUR0.10c, a decrease of EUR 0.01c from the previous year as the company is retaining cash to finance investments, namely the terminal expansion programme and SkyParks 2.

RS2 Software p.l.c.

RS2 Software was by far the best performer on the Malta Stock Exchange, with a stellar price increase of 143.27% during the year under review. This increase was backed by the company's strong financial performance for 2015 and in light of the new acquisitions by the group in the United States and Asia.

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Manager's Report (continued)

For the year ended 30 April 2016

In fact, during 2015, the group generated record total revenues of EUR19.4m in 2015, an increase of 28% when compared to 2014 revenues, mainly attributed to the recognition of new license fees and an increase in service fees. With regards to the licence agreement concluded earlier this year with a bank in Vietnam, besides the financial value of the contract, the management perceives this contract as being an important step in realising the Group's strategy for further penetration of the Asian market.

In August 2015, an office in Gozo was also opened, with a total investment of EUR1.3m. This office will serve as an extension of the Malta office where core development and client support will be carried out, as well as serving as a disaster recovery location, call centre and operations. In addition to Gozo, a new subsidiary in Brazil was also established.

Furthermore, following the acquisition of additional shares in the US subsidiary (bringing the total shareholding to 64%) at the end of last year, the Group continues to intensify its expansion plans for the United States. This subsidiary will be engaged in both licensing and managed services and will serve as the US arm of the RS2 Group, paving the way for possible further expansion in the country.

Maltese Assets Fund

During the year under review, the unit price of the Accumulator and Income shares moved as follows:

- The accumulator shares increased by 26.95% to EUR619.89 (2015: EUR488.28)
- The income shares increased by 26.00% to EUR509.49 (2015: EUR404.37).

The Fund paid the following dividends to holders of the Income Share Class over the financial period:

- a) EUR0.703 per share (net annualised yield of 0.65%) declared on 31 July 2015
- b) EUR1.707 per share (net annualised yield of 1.37%) declared on 29 April 2016.

During the year, the Fund Manager reduced overall exposure to the Maltese equity market and increased exposure to Maltese bonds. The Fund benefitted from the Manager's stock selection in the Maltese equity market. Volatility in the Fund's performance was relatively low as exposure to the international market was kept at relatively low levels.

Going forward, volatility may increase in the local and foreign markets due to: (i) expectations of an increase in interest rate faster than expected, (ii) stringent regulation in the banking sector; and (iii) the outcome of the negotiations of the UK to leave the EU and its effect on local companies.

HSBC Global Asset Management (Malta) Limited
29 August 2016

HSBC No-Load Funds SICAV p.l.c.

Comparative table

	Malta Government Bond Fund*	Maltese Assets Fund*	Maltese Money Market Fund
	EUR	EUR	EUR
Net Asset Value as at:			
30 April 2016	147,569,282	51,964,039	-
30 April 2015	152,850,036	42,310,286	-
30 April 2014	130,021,138	43,467,175	14,145,095
Net Asset Value per unit (using mid-market pricing) as at: (Accumulator / Income)			
30 April 2016*	491.64 / 352.72	619.89 / 509.49	-
30 April 2015	490.78 / 359.84	488.28 / 404.37	-
30 April 2014	434.56 / 326.43	428.93 / 358.70	254.51
	Units	Units	Units
Number of units in circulation:			
30 April 2016	309,216	84,021	-
30 April 2015	320,238	86,850	-
30 April 2014	307,246	101,613	55,582

* As at reporting date, the accumulator factor on the Malta Government Bond Fund and Maltese Assets Fund stood at 1.393831 (2015: 1.363725) and 1.216372 (2015: 1.208678) respectively.

HSBC No-Load Funds SICAV p.l.c.

Comparative table (continued)

	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
	EUR	EUR	EUR
Accumulator Shares			
Price movement from 2 May 2015 (first Dealing Day of year) to 30 April 2016 (last Dealing Day of year):			
Highest quoted price (on 6 April 2016)	496.01	–	–
Lowest quoted price (on 3 July 2015)	469.80	–	–
Highest quoted price (on 30 April 2016)	–	619.89	–
Lowest quoted price (on 5 May 2015)	–	492.26	–
Income Shares			
Price movement from 2 May 2015 (first Dealing Day of year) to 30 April 2016 (last Dealing Day of year):			
Highest quoted price (on 6 April 2016)	357.40	–	–
Lowest quoted price (on 3 July 2015)	343.01	–	–
Highest quoted price (on 25 April 2016)	–	511.39	–
Lowest quoted price (on 5 May 2015)	–	406.97	–

HSBC No-Load Funds SICAV p.l.c.

Comparative table (continued)

	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
	EUR	EUR	EUR
Accumulator Shares			
Price movement from 2 May 2014 (first Dealing Day of year) to 30 April 2015 (last Dealing Day of year):			
Highest quoted price (on 17 April 2015)	493.66	–	–
Lowest quoted price (on 30 April 2014)	434.07	–	–
Highest quoted price (on 20 April 2015)	–	496.57	–
Lowest quoted price (on 7 January 2014)	–	423.72	–
Highest quoted price (on 12 June 2014)	–	–	254.53
Lowest quoted price (on 27 June 2014)	–	–	254.44
Income Shares			
Price movement from 2 May 2014 (first Dealing Day of year) to 30 April 2015 (last Dealing Day of year):			
Highest quoted price (on 14 April 2015)	361.95	–	–
Lowest quoted price (on 7 May 2014)	324.61	–	–
Highest quoted price (on 10 April 2015)	–	406.56	–
Lowest quoted price (on 2 July 2014)	–	353.28	–

HSBC No-Load Funds SICAV p.l.c.

Report of the Directors

For the year ended 30 April 2016

The Directors present their seventeenth Annual Report and the financial statements of HSBC No-Load Funds SICAV p.l.c. ('the Company') for the year ended 30 April 2016.

Principal activities

The Company is a collective investment scheme established as a multi-fund investment company with variable share capital (SICAV) under the laws of Malta. It aims to provide investors with a choice of funds having diverse investment objectives and investing in a range of investment assets.

Business review

As at 30 April 2016 the Net Asset Value of the Company stood at EUR199,533,321 an increase of EUR4,372,999 or 2.24% over the previous year.

Results and dividends

The Company registered net income for the year and a corresponding increase in unitholders' funds of EUR11,151,893. The statement of comprehensive income can be found on page 27.

For the year ended 30 April 2016, the Company declared the following dividends (before administration fee) on its income share classes:

	Ex-dividend date	Rate per share	Dividend paid	Dividend payable
		EUR	EUR	EUR
Malta Government Bond Fund	1 Aug 2015	1.561	54,195	-
	1 Nov 2015	1.498	51,422	-
	1 Feb 2016	1.304	45,020	-
	1 May 2016	1.402	-	47,996
Maltese Assets Fund	1 Aug 2015	0.703	977	-
	1 Nov 2015	-	-	-
	1 Feb 2016	-	-	-
	1 May 2016	1.707	-	2,036

Business review and future developments

A review of the business of the Company during the current year and an indication of likely future developments are given in the Manager's report on pages 3 to 12.

Directors

The Directors who served in office during the current financial year are listed on page 1.

In accordance with article 20.4 of the Company's Articles of Association, all the Directors are due to retire at the Company's forthcoming Annual General Meeting.

HSBC No-Load Funds SICAV p.l.c.

Report of the Directors (continued)

For the year ended 30 April 2016

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office.

Standard licence conditions applicable under the Investment Services Act

In accordance with SLC2.15 of Appendix II of the Investment Services Rules for Collective Investment Schemes licence holders are required to include breaches of standard licence conditions applicable under the Investment Services Act in the Annual Report. Accordingly, any breaches are disclosed in the Report of the Depositary, and no administrative penalty or regulatory sanction have been imposed.

Approved by the Board on 29 August 2016 and signed by:



Joseph D Camilleri
Chairman



Muriel Rutland
Director



Steven Tedesco
Director

HSBC No-Load Funds SICAV p.l.c.

Rapport tad-Diretturi

Ghas-sena li ntemmet fit-30 ta' April 2016

Id-Diretturi jipprezentaw is-sbatax ir-rapport annwali u l-kontijiet finanzjarji tal-HSBC No-Load Funds SICAV p.l.c. ('il-Kumpanija') għas-sena li għalqet fit-30 ta' April 2016.

Attivitajiet prinċipali

Il-Kumpanija hija skema ta' investiment kollettiv stabbilita b'kapital varjabbli. L-għan tal-Kumpanija huwa li tipprovdi lill-investituri għażla ta' fondi b'ogġettivi ta' investiment differenti u li jinvestu f'firxa ta' assi.

Analizi tan-negozju u żviluppi prospettivi għall-futur

Fit-30 ta' April 2016, il-Valur Nett tal-Kumpanija kien ta' EUR199,533,321, zieda ta' EUR4,372,999 jew ta' 2.24% meta mqabbel mas-sena ta' qabel.

Riżultati u dividendi

Il-Kumpanija kellha zieda netta mill-attività ta' EUR11,151,893 li żdiedet mal-*unitholders' funds*. L-*istatement of comprehensive income* jinsab f'paġna 30.

Għas-sena li għalqet fit-30 ta' April 2016, il-Kumpanija habbret dawn id-dividendi (qabel it-tnaqqis tal-ispiza amministrattiva) għall-ishma tagħha li jqassmu d-dhul:

	Data Ex-dividend	Rata għal kull sehem	Dividend li thallas	Dividend li se jithallas
		EUR	EUR	EUR
Malta Government Bond Fund	1 Awwissu 2015	1.561	54,195	-
	1 Novembru 2015	1.498	51,422	-
	1 Frar 2016	1.304	45,020	-
	1 Mejju 2016	1.402	-	47,996
Maltese Assets Fund	1 Awwissu 2015	0.703	977	-
	1 Novembru 2015	-	-	-
	1 Frar 2016	-	-	-
	1 Mejju 2016	1.707	-	2,036

Analizi tan-negozju u żviluppi prospettivi għall-futur

L-analizi tan-negozju tal-Kumpanija waqt is-sena finanzjarja u indikazzjoni ta' żviluppi prospettivi għall-futur huma espressi fir-rapport tal-Manager f'paġni 3 sa 14.

Diretturi

Id-Diretturi li servew matul din is-sena finanzjarja jidhru f'paġna 1.

Skont l-artikolu 20.4 ta' l-Istatut tal-Kumpanija, id-Diretturi kollha se jirtiraw fil-Laqqha Ġenerali Annwali li ġejja.

HSBC No-Load Funds SICAV p.l.c.

Rapport tad-Diretturi (kompliet)

Ghas-sena li għalqet fit-30 ta' April 2016

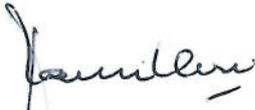
Awditur

PricewaterhouseCoopers indikaw ir-rieda tagħhom li jergħu jiġu mahtura bhala awdituri tal-Kumpanija.

Kundizzjonijiet tal-liċenzja standard ("SLC") applikabbli taht l-Att dwar Servizzi ta' Investiment

SLC2.15 ġo Appendix II tal-Att dwar Servizzi ta' Investiment għal Skemi ta' Investiment Kollettiv licenzjati jirrikjedi li ksur tal-*istandard licence conditions* jiġu rrapurtati fir-Rapport Annwali. Għaldaqstant, kull ksur ġie żvelat fir-*Report of the Depositary*, u ma kien hemm l-ebda ksur li kien sugġett għal penali amministrattiva jew sanzjoni regolatorja.

Approvat mill-Bord nhar d-29 t' Awwissu 2016 u ffirmat minn:



Joseph D Camilleri
Chairman



Muriel Rutland
Direttrici



Steven Tedesco
Direttur

HSBC No-Load Funds SICAV p.l.c.

Directors' Responsibility for the Financial Statements

The Maltese Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the Directors of HSBC No-Load Funds SICAV p.l.c. (the "Company") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

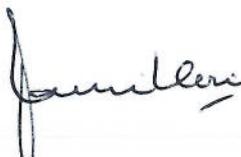
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible to ensure that the Company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The Directors are responsible to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's business. This responsibility includes establishing and maintaining controls pertaining to the Company's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, the Directors consider the risks that the financial statements may be materially misstated as a result of fraud.

The financial statements of HSBC No-Load Funds SICAV p.l.c. for the year ended 30 April 2016 are included in the Annual Report 2016, which is published in hard-copy printed form and may be made available on the company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.



Joseph D Camilleri
Chairman



Muriel Rutland
Director



Steven Tedesco
Director



Deutsche Bank (Malta) Ltd
Forni Complex 1E
Level 2, Pinto Wharf
Valletta Waterfront,
Floriana, FRN 1913
Malta

Tel: +356 2137 3666
Fax: +356 2137 7741

Report of the Depositary to the Shareholders

We have enquired into the conduct of the AIFM and **HSBC No-Loads Funds SICAV p.l.c.** ('the Company') for the period from 1st May 2015 to 21st April 2016 in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Malta Financial Services Authority's (the 'MFSA') Investment Services Act (Chapter 370 of the Laws of Malta) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Section 5 of Part B of the MFSA's Investment Services Rules for Investment Services. One of these duties is to enquire into the conduct of the AIFM and the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether in our opinion the AIF has been managed, in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and by the MFSA regulations. It is the overall responsibility of the AIFM and the Company to comply with these provisions. If the AIFM/Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties outlined in Section 5 of Part B of the MFSA's Investment Services Rules for Investment Services to ensure that in all material respects the AIF has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the AIF's constitutional documentation and its Licence Conditions.

Opinion

In our opinion the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the Company's Memorandum and Articles of Association and its Licence Conditions.

For and on behalf of

Deutsche Bank (Malta) Limited
Reuben Attard (Director)

Deutsche Bank (Malta) Limited
Benedict Craig (Director)

Date: 28/06/2016



Independent auditor's report

To the Shareholders of HSBC No-Load Funds SICAV p.l.c.

Report on the Financial Statements for the year ended 30 April 2016

We have audited the financial statements of HSBC No-Load Funds SICAV p.l.c. on pages 26 to 74, which comprise the statement of financial position as at 30 April 2016, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

As explained more comprehensively in the Statement of directors' responsibilities for the financial statements on page 20, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements

- give a true and fair view of the financial position of the company as at 30 April 2016, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.



Independent auditor's report - continued

To the Shareholders of HSBC No-Load Funds SICAV p.l.c.

Report on Other Legal and Regulatory Requirements for the year ended 30 April 2016

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

A handwritten signature in blue ink, appearing to read 'Lucienne Pace Ross'. The signature is stylized and written in a cursive-like font.

Lucienne Pace Ross
Partner

29 August 2016



Rapport ta' l-Awdituri Independenti

Lill-Azzjonisti tal-HSBC No-Load Funds SICAV p.l.c.

Rapport dwar il-Kontijiet Finanzjarji għall-perjodu li jintemm fit-30 ta' April 2016

Għamilna reviżjoni tal-kontijiet finanzjarji tal-HSBC No-Load Funds SICAV p.l.c. li jinsabu f'paġni 26 sa 74 li jinkludu rendikont ta' l-istat finanzjarju fit-30 ta' April 2016, u l-kontijiet tal-qligħ u telf, analiżi ta' kambjamenti fl-attiv nett attribwit lill-azzjonisti u analiżi tad-dhul u l-hruġ tal-flus għall-perjodu li jintemm f'dik l-istess data, kif ukoll il-policies ta' l-accounting ewlenin u noti oħra ta' spjegazzjoni.

Responsabilità tad-Diretturi għall-Kontijiet Finanzjarji

Kif spjegat aktar fid-dettal fid-dikjarazzjoni tar-responsabbiltajiet tad-Diretturi għal dawn il-kontijiet finanzjarja f'paġna 20, id-Diretturi huma responsabbli għall-preparazzjoni u l-prezentazzjoni ġusta ta' dawn il-kontijiet finanzjarji skond l-International Financial Reporting Standards kif adottati mill-EU u skond kif stipulat mill-Att Malti dwar il-Kumpaniji tal-1995, u għal dawk il-kontrolli interni li d-Diretturi iqisu relevanti għall-preparazzjoni u l-prezentazzjoni ġusta ta' kontijiet finanzjarji li ma jinkludux informazzjoni li materjalment ma tirriflettix irrealta', dovuta kemm għal frodi kif ukoll żbalji.

Responsabilità ta' l-Awditur

Ir-responsabilità tagħna hi li nesprimu opinjoni dwar dawn il-kontijiet finanzjarji abbażi tar-reviżjoni li għamilna skond l-International Standards on Auditing. Dawn l-istandards jobbligawna li nimxu skond l-etika meħtieġa u li nippjanaw u naghmlu r-reviżjoni sabiex b'mod raġonevoli niżguraw li l-kontijiet finanzjarji ma jinkludux informazzjoni li materjalment ma tirriflettix r-realta'.

Ir-reviżjoni tal-kontijiet tinvolti li jsiru proċeduri sabiex tinkiseb l-evidenza meħtieġa għar-reviżjoni dwar l-ammonti u t-tagħrif inkluz fil-kontijiet finanzjarji. Il-proċeduri magħżula jiddependu mill-fehma ta' l-awditur, li tinkludi konsiderazzjoni tar-riskji ta' informazzjoni fil-kontijiet finanzjarji li materjalment ma tirriflettix ir-realta', dovuta kemm għal frodi kif ukoll żbalji. F'din il-konsiderazzjoni, l-awditur jagħti kas tal-kontrolli nterni rilevanti għall-preparazzjoni u l-prezentazzjoni ġusta tal-kontijiet finanzjarji tal-entità sabiex johloq proċeduri ta' l-awditjar li huma xierqa fiċ-ċirkustanzi, iżda mhux għall-fini li jesprimi opinjoni dwar kemm il-kontrolli nterni tal-entità huma effettivi. Ir-reviżjoni tal-kontijiet tinkludi wkoll evalwazzjoni ta' kemm il-policies ta' l-accounting użati huma xierqa u kemm l-estimi finanzjarji magħmula mid-diretturi huma raġonevoli, kif ukoll evalwazzjoni ġenerali tal-prezentazzjoni tal-kontijiet finanzjarji.

Aħna nemmnu li l-evidenza miksuba matul il-proċess tar-reviżjoni tal-kontijiet hija suffiċjenti u xierqa sabiex tippovdi bażi għall-opinjoni tagħna.

Opinjoni

Fl-opinjoni tagħna il-kontijiet finanzjarji

- juru qagħda sewwa u xierqa ta' l-istat finanzjarju tal-kumpanija fit-30 ta' April 2016, kif ukoll ta' l-attività finanzjarja u d-dhul u l-hruġ tal-flus tagħha għall-perjodu li ntemm f'dik l-istess data, skond l-International Financial Reporting Standards kif adottati mill-Unjoni Ewropea; u
- thej jew kif inhu xieraq skond kif stipulat fl-Att Malti dwar il-Kumpaniji tal-1995.



Rapport ta' l-Awdituri Independenti

Lill-Azzjonisti tal-HSBC No-Load Funds SICAV p.l.c.

Rapport dwar obligazzjonijiet legali u regulatorji ohra għall-perjodu li jintemm fit-30 ta' April 2016

Kif stipulat fl-Att Malti dwar il-Kumpaniji tal-1995, aħna għandna wkoll ir-responsabilità li nirrapurtawkom jekk, fl-opinjoni tagħna:

- It-tagħrif mogħti fir-rapport tad-diretturi ma jkunx jaqbel mal-kontijiet finanzjarji.
- Ma jkunux inżammu records xierqa tal-kontijiet, jew ma nkunux irċevejna prospetti xierqa għar-reviżjoni tagħna minn ferġat li ma nkunux żorna.
- Il-kontijiet finanzjarji ma jkunux jaqblu mar-records tal-kontijiet u mal-prospetti.
- Ma ksibniex it-tagħrif u l-isjegazzjonijiet kollha meħtieġa għall-finijiet tar-reviżjoni tagħna.
- Fil-kontijiet finanzjarji hemm nuqqas ta' ċertu tagħrif dwar ir-rimunerazzjoni tad-diretturi li hu meħtieġ mil-liġi, u ninkludu id-dettalji meħtieġa fir-rapport tagħna.

M'għandna xejn x' nirrapurtawkom fir-rigward ta' dawn ir-responsabilitajiet.

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

Lucienne Pace Ross
Partner

29 t' Awwissu 2016

HSBC No-Load Funds SICAV p.l.c.

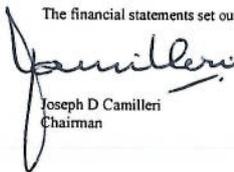
Statement of Financial Position

As at 30 April 2016

		Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
Note	2016 EUR	2016 EUR	2016 EUR	2016 EUR	2015 EUR	2015 EUR	2015 EUR	2015 EUR	
Current assets									
Financial assets at fair value									
through profit or loss	9	186,361,718	136,427,003	49,934,715	-	188,370,343	147,986,264	40,884,079	-
Accrued income		1,355,643	1,040,915	288,078	-	1,378,925	1,182,511	196,414	-
Subscriptions receivable		7,584	26,650	7,584	-	62,665	50,209	12,456	-
Settlements receivable		31,417	-	31,417	-	14,424	-	14,424	-
Other assets		31,200	25,272	5,928	-	27,270	20,389	6,881	-
Bank balances	4, 6	12,026,889	10,267,463	1,759,426	-	5,559,501	4,218,741	1,328,134	12,626
Total assets		199,814,451	147,787,303	52,027,148	-	195,913,128	153,458,114	42,442,388	12,626
Current liabilities									
Accruals		253,971	190,862	63,109	-	747,852	608,078	127,148	12,626
Capital redemptions payable		27,159	27,159	-	-	4,954	-	4,954	-
Total liabilities excluding net assets attributable to unit holders		281,130	218,021	63,109	-	752,806	608,078	132,102	12,626
Net assets attributable to unitholders	5	199,533,321	147,569,282	51,964,039	-	195,160,322	152,850,036	42,310,286	-

The notes on pages 32 to 74 are an integral part of these financial statements.

The financial statements set out on pages 26 to 74 were approved and authorised for issue by the Board on 29 August 2016.


Joseph D Camilleri
Chairman


Muriel Rutland
Director


Steven Tedesco
Director

HSBC No-Load Funds SICAV p.l.c.

Statement of Comprehensive Income

For the year ended 30 April 2016

		Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	
	Note	2016 EUR	2016 EUR	2016 EUR	2015 EUR	2015 EUR	2015 EUR	2015 EUR	
Income									
Bank interest income		177	23	154	-	649	36	41	572
Dividend income		959,583	-	959,583	-	711,398	-	710,881	517
Other net fair value movement in financial assets at fair value through profit or loss		13,516,026	2,262,389	11,253,637	-	24,727,768	19,289,150	5,431,779	6,839
Other income		14,643	-	14,643	-	2,485	-	2,380	105
Net investment income		14,490,429	2,262,412	12,228,017	-	25,442,300	19,289,186	6,145,081	8,033
Expenses									
Management fees	8	1,679,689	1,161,143	518,546	-	1,589,550	1,132,158	457,190	202
Depositary fees	8	67,656	49,708	17,948	-	52,111	38,026	14,085	-
Custodian's fees	8	103,083	68,767	34,316	-	99,289	71,952	26,834	503
Audit fees	8	7,700	5,695	2,005	-	7,500	6,153	1,757	(410)
Investment account fees	8	237,263	180,736	56,527	-	331,052	250,752	80,300	-
Administration fees	8	272,984	174,362	98,622	-	139,598	93,811	51,181	(5,394)
Directors' fees	11	12,052	8,968	3,084	-	11,200	8,676	2,475	49
Transaction costs		-	-	-	-	114	33	81	-
Other charges		99,568	68,624	30,944	-	127,950	77,971	36,198	13,781
Total expenses		2,479,995	1,718,003	761,992	-	2,358,364	1,679,532	670,101	8,731
Net profit/(loss) from operations before finance costs		12,010,434	544,409	11,466,025	-	23,083,936	17,609,654	5,474,980	(698)
Bank interest payable		712	264	448	-	101	81	20	-
Distributions to unitholders	10	239,165	236,128	3,037	-	256,983	251,386	5,597	-
Total finance costs		239,877	236,392	3,485	-	257,084	251,467	5,617	-
Profit/(loss) before tax		11,770,557	308,017	11,462,540	-	22,826,852	17,358,187	5,469,363	(698)
Withholding tax		(618,664)	(412,395)	(206,269)	-	(661,985)	(492,609)	(169,376)	-
Net increase/(decrease) in net assets attributable to unitholders		11,151,893	(104,378)	11,256,271	-	22,164,867	16,865,578	5,299,987	(698)

The notes on pages 32 to 74 are an integral part of these financial statements.

HSBC No-Load Funds SICAV p.l.c.

Statement of Changes in Net Assets – Malta Government Bond Fund

For the year ended 30 April 2016

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR	Income Account EUR
Net assets as at 1 May 2014	130,021,138	119,471,334	10,463,712	86,092
Unit transactions				
Amounts received on creations	14,973,947	14,111,288	862,659	-
Amounts paid on redemptions	(9,010,627)	(8,372,790)	(637,837)	-
Net equalisation	-	906	770	(1,676)
Total transactions with holders of redeemable units	5,963,320	5,739,404	225,592	(1,676)
Net increase in net assets attributable to unitholders	16,865,578	15,773,755	1,126,315	(34,492)
	16,865,578	15,773,755	1,126,315	(34,492)
Net assets as at 30 April 2015	152,850,036	140,984,493	11,815,619	49,924
Net assets as at 1 May 2015	152,850,036	140,984,493	11,815,619	49,924
Unit transactions				
Amounts received on creations	4,681,042	4,476,154	204,888	-
Amounts paid on redemptions	(9,857,418)	(9,334,444)	(522,974)	-
Net equalisation	-	1,037	1,576	(2,613)
Total transactions with holders of redeemable units	(5,176,376)	(4,857,253)	(316,510)	(2,613)
Net (decrease) / increase in net assets attributable to unitholders	(104,378)	132,831	(238,885)	1,676
	(104,378)	132,831	(238,885)	1,676
Net assets as at 30 April 2016	147,569,282	136,260,071	11,260,224	48,987

The notes on pages 32 to 74 are an integral part of these financial statements.

HSBC No-Load Funds SICAV p.l.c.

Statement of Changes in Net Assets – Maltese Assets Fund

For the year ended 30 April 2016

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR	Income Account EUR
Net assets as at 1 May 2014	43,467,175	42,866,704	597,907	2,564
Unit transactions				
Amounts received on creations	452,920	411,012	41,908	-
Amounts paid on redemptions	(6,909,796)	(6,673,925)	(235,871)	-
Net equalisation	-	176	(106)	(70)
Total transactions with holders of redeemable units	(6,456,876)	(6,262,737)	(194,069)	(70)
Net increase in net assets attributable to unitholders	5,299,987	5,239,988	62,078	(2,079)
	5,299,987	5,239,988	62,078	(2,079)
Net assets as at 30 April 2015	42,310,286	41,843,955	465,916	415
Net assets as at 1 May 2015	42,310,286	41,843,955	465,916	415
Unit transactions				
Amounts received on creations	1,964,637	1,964,563	74	-
Amounts paid on redemptions	(3,567,155)	(3,534,450)	(32,705)	-
Net equalisation	-	90	(165)	75
Total transactions with holders of redeemable units	(1,602,518)	(1,569,797)	(32,796)	75
Net increase in net assets attributable to unitholders	11,256,271	11,137,507	118,694	70
	11,256,271	11,137,507	118,694	70
Net assets as at 30 April 2016	51,964,039	51,411,665	551,814	560

The notes on pages 32 to 74 are an integral part of these financial statements.

HSBC No-Load Funds SICAV p.l.c.

Statement of Changes in Net Assets – Maltese Money Market Fund

For the year ended 30 April 2016

	Total	Accumulator
	EUR	Share Class
		EUR
Net assets as at 1 May 2014	14,145,095	14,145,095
	-----	-----
Unit transactions		
Amounts received on creations	-	-
Amounts paid on redemptions	(14,144,397)	(14,144,397)
	-----	-----
Total transactions with holders of redeemable units	(14,144,397)	(14,144,397)
	-----	-----
Net decrease in net assets attributable to unitholders	(698)	(698)
	-----	-----
Net assets as at 30 April 2015	-	-
	=====	=====
Net assets as at 1 May 2015 and 30 April 2016	-	-
	=====	=====

The notes on pages 32 to 74 are an integral part of these financial statements.

HSBC No-Load Funds SICAV p.l.c.

Statement of Cash Flows

For the year ended 30 April 2016

	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
Note	2016 EUR	2016 EUR	2016 EUR	2016 EUR	2015 EUR	2015 EUR	2015 EUR	2015 EUR
Cash flows generated from/ (used in) operating activities								
Interest and other income received	5,957,128	4,786,444	1,170,684	-	6,080,601	4,905,237	1,171,548	3,816
Interest paid	(712)	(264)	(448)	-	(101)	(81)	(20)	-
Payments to service providers	(2,973,876)	(2,135,219)	(826,031)	(12,626)	(1,787,084)	(1,180,996)	(599,792)	(6,296)
Tax paid	(618,664)	(412,395)	(206,269)	-	(661,985)	(492,609)	(169,376)	-
Net proceeds/(payments) on acquisition/disposal of financial assets at fair value through profit or loss	11,171,711	9,220,264	1,951,447	-	(482,279)	(9,061,035)	7,015,158	1,563,598
Net cash flows generated from/ (used in) operating activities	13,535,587	11,458,830	2,089,383	(12,626)	3,149,152	(5,829,484)	7,417,518	1,561,118
Cash flows (used in)/ from financing activities								
Proceeds from creation of units	6,700,761	4,731,252	1,969,509	-	15,454,768	14,978,955	475,813	-
Amounts paid on redemption of units	(13,402,368)	(9,830,259)	(3,572,109)	-	(30,162,989)	(9,047,869)	(6,950,723)	(14,164,397)
Distribution of dividend	(239,165)	(236,128)	(3,037)	-	(256,983)	(251,386)	(5,597)	-
Net cash flows (used in)/ from financing activities	(6,940,772)	(5,335,135)	(1,605,637)	-	(14,965,204)	5,679,700	(6,480,507)	(14,164,397)
Net increase/(decrease) in cash and cash equivalents	6,594,815	6,123,695	483,746	(12,626)	(11,816,052)	(149,784)	937,011	(12,603,279)
Cash and cash equivalents at beginning of year	5,559,501	4,218,741	1,328,134	12,626	17,013,505	4,143,972	253,628	12,615,905
Exchange gains on cash and cash equivalents	(127,427)	(74,973)	(52,454)	-	362,048	224,553	137,495	-
Cash and cash equivalents at end of year	6 12,026,889	10,267,463	1,759,426	-	5,559,501	4,218,741	1,328,134	12,626

The notes on pages 32 to 74 are an integral part of these financial statements.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

1 Reporting entity

HSBC No-Load Funds SICAV p.l.c. ('the Company') is a company registered and domiciled in Malta.

As at 30 April 2016, the Company comprised of two sub-funds, namely Malta Government Bond Fund, and Maltese Assets Fund. The Maltese Money Market Fund was terminated on 30 June 2014.

The Company maintains a separate account for each Fund, to which the proceeds are credited, and against which expenses are charged. Upon redemption, unitholders are entitled only to their proportion of the net assets held in the account relating to the Fund in which their participating units are designated. Separate statements of financial position, statements of changes in net assets attributable to unitholders, statements of comprehensive income and statements of cash flow have accordingly been prepared for each Fund. All references to net assets throughout this document refer to net assets attributable to unitholders of the respective Fund.

The statement of financial position presents assets and liabilities in increasing order of liquidity. Financial assets at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Manager's recommendations. All other assets and liabilities are expected to be realised within one year.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU. All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU.

They have also been drawn up in accordance with the provisions of the Maltese Companies Act, 1995 (Chapter 386, Laws of Malta).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except that financial instruments at fair value through profit or loss, are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Euro, which is the functional currency of the individual funds.

The combined financial statements have also been prepared in Euro.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

2 Basis of preparation (continued)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect both the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and in any future periods affected.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

2.5 Changes in accounting policies

There were no changes in accounting policies during the year which had an impact on the Company's financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the reporting date to the functional currency at the spot exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the spot exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange gain/loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain/loss from financial instruments at fair value through profit or loss.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.2 Financial assets and financial liabilities

3.2.1 Recognition

The Company recognises financial assets on the date it commits to purchase the assets, using trade date accounting.

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2.2 Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial instruments held for trading

These include forward contracts. All derivatives in a net receivable position (positive fair value) are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value) are reported as financial liabilities held for trading.

- Financial instruments designated at fair value through profit or loss upon initial recognition

The Company has designated financial assets at fair value through profit or loss as these assets are managed, evaluated and reported internally on a fair value basis. Note 12 sets out the amount of financial assets that have been designated at fair value through profit or loss.

- Loans and receivables

These include cash and cash equivalents, settlements and other receivables.

Financial liabilities that are not *at fair value through profit or loss* include settlements and other payables.

3.2.3 Measurement

Financial assets and liabilities are measured initially at fair value (transaction price). Transaction costs on *financial assets and financial liabilities at fair value through profit or loss* are expensed immediately.

Subsequent to initial recognition, all instruments classified at *fair value through profit or loss* are measured at fair value with changes in their fair value recognised in profit or loss.

Financial assets classified as *loans and receivables* are carried at amortised cost using the effective interest method, less impairment losses, if any. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.2 Financial assets and financial liabilities (continued)

3.2.3 Measurement (continued)

Financial liabilities, other than those at *fair value through profit or loss*, are measured at amortised cost using the effective interest rate method. Financial liabilities arising from the puttable feature of units issued by the Company are carried at the amount representing the unit holder's right to a residual interest in the respective Fund's net assets.

When applying the effective interest method, the annual amortisation of any discount or premium is aggregated with other investment income receivable over the term of the instrument, if any, so that the revenue recognised in each period represents a constant yield on the investment.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

3.2.4 Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.2 Financial assets and financial liabilities (continued)

3.2.4 Fair value measurement principles (continued)

If an asset or liability measured at fair value has a bid price and ask price, IFRS 13 Fair Value Measurement requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

Unquoted investments are valued at initial cost restated to fair value as determined by the Directors, acting on the advice of the Manager or such other person commissioned and appointed from time to time for that purpose by the Directors. The fair value is estimated using valuation techniques, including the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Company would receive, or pay, to terminate the contract at the financial reporting date, taking into account current market conditions, volatility, appropriate yield curve and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates on the valuation date.

3.2.5 Collective Investment Schemes

The Scheme's investments in other funds are subject to terms and conditions of the respective Investment Fund's offering documentation. The investments in open-ended Investment Funds are valued based on the latest available redemption price of such units for each Investment Fund, as determined by the Investment Funds' administrators. The Scheme's Manager reviews the details of the reported information obtained from the Investment Funds and considers:

- The liquidity of the Investment Fund or its underlying investments;
- The value date of the net asset value provided;
- Any restrictions on redemptions; and
- The basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investment Fund's advisors.

If necessary, the Scheme makes adjustments to the net asset value of various Investment Funds to obtain the best estimate of fair value. Net fair value changes on financial assets at fair value through profit or loss in the statement of changes in net assets available to participants for benefits include the change in fair value of each of the Investment Funds.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.5 *Collective Investment Schemes (continued)*

Investments in closed-ended Investment Funds are valued by reference to the unitholders' capital attributable to the relevant sub-fund as determined by the Investment Fund's administrator. The unitholders in these closed-ended funds are not entitled to have any of their holding redeemed prior to the termination period. As a result, the carrying values of the Investment Funds may not be indicative of the values ultimately realised on redemption. In addition, the Scheme may be materially affected by the actions of other investors who have invested in the Investment Funds in which the Scheme is invested.

All of the Investment Funds in the investment portfolio are managed by investment providers who are compensated by the respective Investment Fund's for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee. Such compensation is reflected in the valuation of the Scheme's investment in each of the Investment Funds.

3.2.6 *Identification and measurement of impairment*

The carrying amount of financial assets that are stated at amortised cost are reviewed at each financial reporting date to determine whether there is any indication or objective evidence of impairment, as appropriate. If any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the issuer (or counterparty);
- default or delinquency by a borrower, such as a breach of contract;
- indications that a borrower will enter bankruptcy;
- the disappearance of an active market for that financial asset; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group, or economic conditions that correlate with defaults in the group.

If any such indication exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rates.

If, in a subsequent period, the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the reduction in value can be linked objectively to an event occurring after the write-down, this is reversed through profit or loss.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.7 Identification and measurement of impairment (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3.2.8 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flow from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position.

Upon derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets or a portion of them are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Company uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.3 Cash and cash equivalents

Cash comprises current deposits with banks with original maturities of less than three months. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.4 Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method.

3.5 Dividend income

Dividend income relating to exchange-traded funds and equities is recognised in profit or loss on the ex-dividend date.

3.6 Expenses

All expenses, including management fees and custodian fees, are recognised in profit or loss on an accruals basis.

3.7 Redeemable units

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Company issues redeemable units which are redeemable at the holder's option. Such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any time for cash equal to a proportionate share of the Funds' net asset value attributable to the share class.

The redeemable units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the unit back to the Funds.

Redeemable units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of each redeemable unit with the total number of outstanding redeemable units. In accordance with the provisions of the Funds' regulations, investment positions are valued based on the last traded mid-market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

3 Significant accounting policies (continued)

3.9 Dividend distributions

Dividends payable on income shares are recognised in profit or loss as finance costs.

The amount available for distribution by the relevant Funds includes:

- a) the net increase in unitholders' funds excluding gains/losses on financial instruments and dividends payable; and
- b) the net income equalisation on units that are issued and redeemed during the period.

Such amounts available for distribution are transferred to the Income Account within the Statement of changes in net assets. The amount resolved to be distributed will in turn be transferred to the Distribution Account. Any undistributed income will be reflected in the net asset value per unit of the Funds.

3.10 Equalisation

The purchase price of any units in the Funds generally contains an element representing the accrued income earned by the units since the start of the current dividend period.

This means that when investors buy units, part of the consideration represents payment of net income. The corresponding portion of the purchase price (the equalisation payment) will be notionally credited by the relative Fund to an equalisation account.

3.11 New standards and interpretations not yet adopted by the Company

3.11.1 *Standards and amendments to existing standards effective 1 May 2015*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 May 2015 that would be expected to have a material impact on the Company.

3.11.2 *New standards, amendments and interpretations effective after 1 May 2015 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2015, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

4 Bank balances and bank facilities

Bank balances comprise the following:

4.1 Malta Government Bond Fund

Bank balances as at 30 April 2016 and 30 April 2015 comprise call deposits and term deposits with credit institutions none of which exceed 10% of the net assets of the Fund.

The Fund has a stand-by overdraft facility of 10% of the Net Asset Value of the Fund or a maximum of EUR5,000,000 (2015: EUR5,000,000), whichever is the lower, none of which was utilised at the reporting date. As at the reporting date, overdraft interest was chargeable at the rate of 1% over 3 month Euribor per annum.

In addition, the Fund has a forward contract facility on a risk weighted basis for EUR1,600,000 (2015: EUR1,600,000) which was not utilised at the reporting date.

These facilities are secured by a floating charge on the Fund's investments up to an amount of EUR13,200,000 (2015: EUR13,200,000).

4.2 Maltese Assets Fund

Bank balances as at 30 April 2016 and as at 30 April 2015 comprise call deposits and term deposits with credit institutions none of which exceed 10% of the net assets of the Fund.

The Fund has a stand-by overdraft facility of 10% of the Net Asset Value of the Fund or a maximum of EUR2,000,000 (2015: EUR2,000,000), whichever is the lower, none of which was utilised at the reporting date. As at the reporting date, overdraft interest was chargeable at the rate of 1% over 3 month Euribor per annum.

In addition, the Fund has a forward contract facility on a risk weighted basis for EUR700,000 (2015: EUR700,000) which was not utilised at reporting date.

These facilities are secured by a floating charge on the Fund's investments up to an amount of EUR5,400,000 (2015: EUR5,400,000).

4.3 Maltese Money Market Fund

Bank balances as at 30 April 2015 comprise call and term deposits. All units in the Fund were redeemed during the comparative year and outstanding cash balances were used to settle net operating liabilities.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

5 Share capital

a) The number of shares in issue to unitholders at the end of the year is analysed below:

	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
30 April 2016				
Authorised	<u>100,000,000</u>			
Issued	<u>393,237</u>	<u>309,216</u>	<u>84,021</u>	<u>-</u>
30 April 2015				
Authorised	<u>100,000,000</u>			
Issued	<u>407,088</u>	<u>320,238</u>	<u>86,850</u>	<u>-</u>

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

5 Share capital (continued)

a) Analysed as follows (continued):

	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
	2016 No.	2016 No.	2016 No.	2016 No.	2015 No.	2015 No.	2015 No.	2015 No.
<i>Accumulator Share Class</i>								
At the beginning of the year	372,959	287,263	85,696	-	430,448	274,927	99,939	55,582
Creation of units during the year	12,764	9,269	3,495	-	31,484	30,553	931	-
Redemption of units during the year	(25,633)	(19,379)	(6,254)	-	(88,973)	(18,217)	(15,174)	(55,582)
At end of the year	360,090	277,153	82,937	-	372,959	287,263	85,696	-
<i>Income Share Class</i>								
At the beginning of the year	34,129	32,975	1,154	-	33,993	32,319	1,674	-
Creation of units during the year	584	584	-	-	2,655	2,539	116	-
Redemption of units during the year	(1,566)	(1,496)	(70)	-	(2,519)	(1,883)	(636)	-
At end of the year	33,147	32,063	1,084	-	34,129	32,975	1,154	-
Total units at end of the year	393,237	309,216	84,021	-	407,088	320,238	86,850	-

In terms of the Companies Act, 1995, the authorised share capital of the Company has not been assigned any nominal value, and the paid-up share capital of the Company shall at all times be equal to the Net Asset Value of the Funds as determined in accordance with the Company's Articles of Association.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

5 Share capital (continued)

b) The net assets at the end of the year are analysed as follows:

	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
	2016 EUR	2016 EUR	2016 EUR	2016 EUR	2015 EUR	2015 EUR	2015 EUR	2015 EUR
Accumulator shares	187,671,736	136,260,071	51,411,665	-	182,828,448	140,984,493	41,843,955	-
Income shares	11,861,585	11,309,211	552,374	-	12,331,874	11,865,543	466,331	-
Net assets	199,533,321	147,569,282	51,964,039	-	195,160,322	152,850,036	42,310,286	-

- c) The net assets of the Income Shares represent the value of the Income Share Class and the balance on the Income Account as set out in the statement of changes in net assets.
- d) Units may be issued and redeemed at prices based on the value of the Funds' Net Asset Value as determined in accordance with the Company's Articles of Association and the Prospectus.
- e) The net assets at the beginning of the year, together with amounts received on creation of units and amounts paid on redemption of units during the year, are disclosed in the statement of changes in net assets.
- f) Each unitholder is entitled to one vote in respect of each whole unit held.
- g) The units subscribed by the promoters of the Company at the time of establishment of the Company are, for administrative purposes, referred to as 'Founder Shares'. The Founder Shares constitute the minimum number of ordinary shares that a company is required to maintain in terms of the Act. These founder shares amount to €11.65 and are divided into 5 Shares which are fully paid up and subscribed as follows: HSBC Global Asset Management (Malta) Limited has subscribed to 4 Shares on its own account and HSBC Life Assurance (Malta) Limited has subscribed to 1 Share on its own account.

The founder shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the directors this disclosure reflects the nature of the Company's business as an investment company.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

6 Cash and cash equivalents

Balances of cash and cash equivalents as shown in the statement of cash flows, the statement of financial position and the portfolio of net assets are analysed below:

		Malta	Maltese	Maltese		Malta	Maltese	Maltese
	Combined	Government	Assets	Money	Combined	Government	Assets	Money
	2016	Bond Fund	Fund	Market	2015	Bond Fund	Fund	Market
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Bank balances	12,026,889	10,267,463	1,759,426	-	5,559,501	4,218,741	1,328,134	12,626
Cash and cash equivalents	12,026,889	10,267,463	1,759,426	-	5,559,501	4,218,741	1,328,134	12,626

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

7 Taxation

The Funds

The Malta Government Bond Fund and the Maltese Assets Fund which are classified as prescribed funds, are subject to a final withholding tax of 15% on bank interest received and 10% on interest, discounts or premiums received from the Government of Malta, public corporations or authorities, and companies or other legal entities, in respect of public issues, and private issues where the issuer is resident in Malta. They are exempt from Maltese income tax on other income and gains except in respect of gains from immovable property situated in Malta.

Capital gains, dividends, interests and any other income from foreign securities may be subject to tax imposed by the country of origin and such taxes are not recoverable by the Funds or by the investors.

The investors

Maltese tax legislation currently provides that capital gains realised by investors of the Malta Government Bond Fund and the Maltese Assets Fund are exempt from tax in Malta for as long as the Funds remain listed on the Malta Stock Exchange and remain classified as prescribed funds.

Capital gains realised by non-Maltese resident investors of the Funds are exempt from tax in Malta.

Tax treatment of dividend distributions

The distribution by way of dividends of (a) profits which were subject to tax at 10% or 15% at fund level and (b) dividends received by the Funds out of the final tax account do not attract further tax in the hands of the investors and any underlying tax suffered on the distributed profits is not available as a credit or refund in the hands of the investors.

Distributions by way of dividends from the immovable property account, the Maltese taxed account or the foreign income account of other Maltese resident companies do not attract any further tax in the hands of investors. The investors may be entitled to claim a credit of the underlying tax.

The distribution of other profits attracts 15% withholding tax in the case of Maltese resident individual investors. The investors may claim a credit of such tax withheld. The distribution of such other profits to non-Maltese resident investors and Maltese resident companies is not subject to withholding tax.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

8 Fees

8.1 Management fees

The Manager, HSBC Global Asset Management (Malta) Ltd., a subsidiary of HSBC Bank Malta p.l.c., was originally appointed to provide management, administrative, accounting, registrar and secretarial services to the Company under an agreement and a supplementary agreement entered into on 16 November 1998 and 3 April 2000 respectively. With effect from 1 October 2007, the administrative, accounting and registrar services were delegated to HSBC Securities Services (Malta) Ltd as “the Administrator”. Secretarial services were also delegated to the Administrator with effect from 1 December 2008.

During the year under review, the Manager received EUR1,679,689 (2015: EUR1,589,550) as management fees. Management fees amounting to EUR23,340 (2015: EUR163,556) were due to the Manager at 30 April 2016.

8.2 Administration fees

The Company and the Manager appointed Deutsche International Corporate Services (Ireland) Limited as Administrator from 12 February 2014. The Company and the Manager have agreed to the delegation of certain administration functions of the Company and the Funds including acting as Registrar, to Deutsche International Corporate Services (Ireland) Limited.

An amended and re-stated Administration Agreement dated 21 July 2014 was entered into between Deutsche International Corporate Services (Ireland) Limited as Fund Administrator, the Company and the Manager for the purposes of appointing the Administrator to provide administration, register and transfer agency services to the Company and to reflect the responsibility of the Manager under Alternative Investment Fund Managers Directive (AIFMD) and Alternative Investment Fund Managers Regulations (AIFMR) in ensuring the proper valuation of the assets and the calculation of the Company’s net asset value.

A copy of the Administration Agreement is available for inspection at the registered office of the Company and the Administration.

During the year under review, Deutsche International Corporate Services (Ireland) Limited received EUR272,984 (2015: EUR139,598) as administration fees. Administration fees of EUR21,870 (2015: EUR116,163) were due to the Administrator at 30 April 2016.

8.3 Secretarial fees

Ganado Services Limited charges a fee of EUR2,000 (excluding VAT) per annum for 16 hours of work for acting as Company Secretary to the Company. Additional hours are charged on a time spent basis.

8.4 Depositary and custodianship fees

Under the terms of an agreement dated 16 November 1998, the Company appointed HSBC Bank Malta p.l.c. as Custodian of the Funds. The Custodianship Agreement between the Company and HSBC Bank Malta p.l.c. was terminated on 20 July 2014.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

8 Fees (continued)

8.4 Depositary and custodianship fees (continued)

The Company and the Manager entered into a Depositary Agreement with Deutsche Bank (Malta) Limited, effective 21 July 2014, under the terms of which Deutsche Bank (Malta) Limited was appointed as the depositary of the Company and its Sub-Funds in accordance with the requirements of the AIFMD and which was terminated on 28 April 2016.

On 29 April 2016, the Company and the Manager entered into an agreement with Deutsche Bank AG (Dublin), under the terms of which the latter was appointed as the Depositary and Custodian of the Company and its Sub-Funds in accordance with the requirements of the AIFMD.

The agreement with Deutsche Bank AG, Dublin Branch as the depositary of the Company terminates on the 30 September 2016 which date may be subject to a one time and final extension to end on 31 December 2016.

During the year under review, Deutsche Bank (Malta) Limited, acting as the Depositary and Custodian received EUR170,739 (2015: EUR131,026). During the comparative year, HSBC Bank Malta p.l.c., acting as Custodian, received EUR20,374. Custodian fees amounting to EUR8,644 (2015: EUR13,263) and Depositary fees amounting to EUR22,673 (2015: EUR22,614) were due to the Custodian and Depositary at 30 April 2016.

8.5 Fees charged by the Service Provider

An agreement dated 31 July 2013 was entered into between the Company, the Manager and HSBC Bank Malta p.l.c. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold shares in the Company. This agreement was terminated on 20 July 2014. A new agreement to that effect was entered into on 21 July 2014.

During the year under review, HSBC Bank Malta p.l.c. received an aggregate investment account fee of EUR237,263 (2015: EUR331,052). Investment account fees amounting to EUR19,998 (2015: EUR18,533) were due to HSBC Bank Malta p.l.c. at 30 April 2016.

8.6 Audit fees

Fees charged by the auditor for services rendered during the financial years ended 30 April 2016 and 30 April 2015 relate to the following:

	2016	2015
	EUR	EUR
Annual statutory audit	7,700	7,500
Tax advisory services	1,500	-
	=====	=====

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets

Malta Government Bond Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/Supranational Bonds</i>			
1.00% Belgium Government Bond 22/06/2031	EUR	609,438	0.41
0.25% Spain Government Bond 30/04/2018	EUR	1,509,508	1.02
3.75% Spain Government Bond 31/10/2018	EUR	1,641,690	1.11
4.40% Spain Government Bond 31/10/2023	EUR	247,323	0.17
5.85% Spain Government Bond 31/01/2022	EUR	258,757	0.18
4.00% Caisse d'Amortissement de la Dette Sociale 15/12/2025	EUR	723,993	0.49
3.63% Czech Republic International 14/04/2021	EUR	586,340	0.40
1.50% France Government Bond OAT 25/05/2031	EUR	657,625	0.45
2.40% Ireland Government Bond 15/05/2030	EUR	225,870	0.15
1.50% Malta Government Bond 11/07/2022	EUR	2,958,340	2.00
2.00% Malta Government Bond 26/09/2020	EUR	5,363,252	3.63
2.30% Malta Government Bond 24/07/2029	EUR	4,643,570	3.15
2.50% Malta Government Bond 17/11/2036	EUR	1,198,754	0.81
3.00% Malta Government Bond 11/06/2040	EUR	2,286,914	1.55
3.00% Malta Government Bond 22/09/2019	EUR	5,684,525	3.85
3.20% Malta Government Bond 31/07/2019	EUR	4,587,486	3.11
3.30% Malta Government Bond 12/11/2024	EUR	2,586,439	1.75
3.75% Malta Government Bond 20/08/2017	EUR	691,926	0.47
4.10% Malta Government Bond 18/10/2034	EUR	2,419,509	1.64
4.25% Malta Government Bond 06/11/2017	EUR	7,489,021	5.07
4.30% Malta Government Bond 15/05/2022	EUR	8,449,869	5.73
4.30% Malta Government Bond 01/08/2033	EUR	2,118,419	1.44
4.45% Malta Government Bond 03/09/2032	EUR	6,482,783	4.39
4.50% Malta Government Bond 25/10/2028	EUR	10,918,698	7.40
4.60% Malta Government Bond 25/04/2020	EUR	5,331,884	3.61
4.65% Malta Government Bond 22/07/2032	EUR	1,963,040	1.33
4.80% Malta Government Bond 11/09/2028	EUR	2,245,512	1.52

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Malta Government Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/Supranational Bonds (continued)</i>			
4.80% Malta Government Bond 26/11/2016	EUR	2,255,010	1.53
5.00% Malta Government Bond 08/08/2021	EUR	6,496,966	4.40
5.10% Malta Government Bond 16/08/2022	EUR	2,209,919	1.50
5.10% Malta Government Bond 01/10/2029	EUR	1,961,922	1.33
5.20% Malta Government Bond 10/06/2020	EUR	210,714	0.14
5.20% Malta Government Bond 16/09/2031	EUR	11,871,936	8.04
5.25% Malta Government Bond 23/06/2030	EUR	9,103,509	6.17
5.50% Malta Government Bond 06/07/2023	EUR	7,083,168	4.80
FLT Malta Government Bond 25/09/2018	EUR	3,054,150	2.07
FLT Malta Government Bond 27/11/2019	EUR	451,913	0.31
2.88% Republic of Latvia 30/04/2024	EUR	334,372	0.23
2.13% Republic of Lithuania 29/10/2026	EUR	581,385	0.39
4.20% Republic of Poland 15/04/2020	EUR	580,553	0.39
5.25% Republic of Poland 20/01/2025	EUR	856,218	0.58
4.88% Romania 07/11/2019	EUR	507,698	0.34
2.13% Stockholms Lans Landsting 12/09/2022	EUR	279,633	0.19
5.50% Mexico Government International Bond 17/02/2020	EUR	1,176,410	0.82
4.13% European Investment Bank 15/04/2024	EUR	329,327	0.22
4.50% European Investment Bank 15/10/2025	EUR	1,313,408	0.89
		----- 134,538,696 -----	----- 91.17 -----

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Malta Government Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/Supranational Bonds (continued)</i>			
5.25% Italy Government International Bond 20/09/2016	USD	221,714	0.15
5.38% Italy Government International Bond 12/06/2017	USD	227,260	0.15
6.38% Poland Government International Bond 15/07/2019	USD	582,614	0.39
1.75% United States Treasury Note/Bond 15/05/2023	USD	88,265	0.07
4.38% Corp Andina de Fomento 15/06/2022	USD	768,454	0.52
		-----	-----
		1,888,307	1.28
		-----	-----
Total Sovereign/Supranational Bonds		136,427,003	92.45
		=====	=====
Portfolio of investments		136,427,003	92.45
Bank balances		10,267,463	6.96
Net current assets		874,816	0.59
		-----	-----
Net assets		147,569,282	100.00
		=====	=====

The portfolio of investments comprises financial instruments designated at fair value through profit and loss.

The Fund has given a floating charge on the above investments in favour of its bankers up to an amount of EUR13,200,000 (note 4.1).

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Maltese Assets Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/Supranational Bonds</i>			
3.00% Malta Government Bond 11/06/2040	EUR	40,705	0.08
4.10% Malta Government Bond 18/10/2034	EUR	92,351	0.18
4.30% Malta Government Bond 15/05/2022	EUR	122,265	0.24
4.45% Malta Government Bond 03/09/2032	EUR	680,350	1.31
4.50% Malta Government Bond 25/10/2028	EUR	133,350	0.26
4.60% Malta Government Bond 25/04/2020	EUR	352,110	0.68
5.00% Malta Government Bond 08/08/2021	EUR	618,950	1.19
5.10% Malta Government Bond 16/08/2022	EUR	894,705	1.72
5.20% Malta Government Bond 16/09/2031	EUR	290,580	0.56
5.50% Malta Government Bond 06/07/2023	EUR	465,727	0.88
Total Sovereign/Supranational Bonds		3,691,093	7.10
<i>Corporate Bonds</i>			
5.10% 6pm Holdings p.l.c. 31/07/2025	EUR	421,781	0.81
6.00% AX Investments p.l.c. 06/03/2024	EUR	119,294	0.23
3.50% Bank of Valletta p.l.c. 08/08/2030	EUR	24,749	0.05
3.50% Bank of Valletta p.l.c. 08/08/2030	EUR	119,996	0.23
3.50% Bank of Valletta p.l.c. 08/08/2030	EUR	448,700	0.86
4.80% Bank of Valletta p.l.c. 15/03/2020	EUR	196,500	0.38
4.80% Bank of Valletta p.l.c. 27/08/2018	EUR	523,020	1.01
5.35% Bank of Valletta p.l.c. 15/06/2019	EUR	180,209	0.35
4.25% Corinthia Finance p.l.c. 12/04/2026	EUR	19,596	0.04
6.25% Corinthia Finance p.l.c. 23/09/2019	EUR	175,412	0.34
4.90% Gasan Finance Co Ltd 30/11/2021	EUR	62,538	0.12
5.00% Hal Mann Vella Group p.l.c. 06/11/2024	EUR	141,689	0.27

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Maltese Assets Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate Bonds (continued)</i>			
4.50% Hili Properties p.l.c. 16/10/2025	EUR	111,872	0.22
5.75% International Hotel Investments p.l.c. 13/05/2025	EUR	433,028	0.83
4.50% Izola Bank p.l.c. 30/06/2025	EUR	159,743	0.31
5.30% Mariner Finance p.l.c. 03/07/2024	EUR	26,433	0.05
5.50% Mediterranean Investments Holding p.l.c. 31/07/2020	EUR	139,204	0.27
4.50% Medserv p.l.c. 05/02/2026	EUR	403,205	0.78
6.00% Medserv p.l.c. 30/09/2023	EUR	159,469	0.31
5.00% Tumas Investments p.l.c. 31/07/2024	EUR	254,328	0.49
6.20% Tumas Investments p.l.c. 09/07/2020	EUR	154,611	0.28
		----- 4,275,377 -----	----- 8.23 -----
5.75% Medserv p.l.c. 05/02/2026	USD	161,101	0.31
		----- 161,101 -----	----- 0.31 -----
Total Corporate Bonds		4,436,478 =====	8.54 =====
<i>Equity Investments</i>			
Bank of Valletta p.l.c.	EUR	3,507,132	6.75
Citadel Insurance Ltd Private Equity	EUR	390,171	0.75
GO p.l.c.	EUR	3,256,352	6.27
Grand Harbour Marina p.l.c.	EUR	945,819	1.82
HSBC Bank Malta p.l.c.	EUR	2,284,853	4.40
International Hotel Investments p.l.c.	EUR	3,676,741	7.08
Malita Investments p.l.c.	EUR	1,888,759	3.63
Malta International Airport p.l.c.	EUR	1,279,994	2.46

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Maltese Assets Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Equity Investments (continued)</i>			
Malta Properties Company p.l.c.	EUR	678,772	1.31
MaltaPost p.l.c.	EUR	1,655,496	3.19
Medserv p.l.c.	EUR	2,886,432	5.55
Midi p.l.c.	EUR	2,755,393	5.30
Plaza Centres p.l.c.	EUR	249,152	0.48
RS2 Software p.l.c.	EUR	8,077,679	15.54
Tigne Mall p.l.c.	EUR	3,022,799	5.82
		-----	-----
		36,555,544	70.35
		-----	-----
6pm Holdings p.l.c.	GBP	1,271,518	2.44
		-----	-----
		1,271,518	2.44
		-----	-----
FIMBank p.l.c.	USD	1,371,436	2.64
		-----	-----
		1,371,436	2.64
		-----	-----
Total Equity Investments		39,198,498	75.43
		=====	=====

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

As at 30 April 2016

9 Portfolio of net assets (continued)

Maltese Assets Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Exchange Traded Funds</i>			
iShares STOXX Europe 600 DE	EUR	338,639	0.65
Energy Select Sector SPDR Fund	USD	421,350	0.81
Technology Select Sector SPDR Fund	USD	601,809	1.16
Consumer Staples Select Sector SPDR Fund	USD	913,974	1.76
SPDR S&P Transportation ETF	USD	332,874	0.64
		2,270,007	4.37
Total Investments in Exchange Traded Funds		2,608,646	5.02
Portfolio of investments		49,934,715	96.09
Bank balances		1,759,426	3.39
Net current assets		269,898	0.52
Net assets		51,964,039	100.00

The portfolio of investments comprises financial instruments designated at fair value through profit and loss.

The Fund has given a floating charge on the above investments in favour of its bankers up to an amount of EUR5,400,000 (note 4.2).

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

9 Portfolio of net assets (continued)

9.1 Further disclosures on portfolio of investments

Summary of material changes in the composition of the portfolio of investments:

Malta Government Bond Fund

The composition of the portfolio of investments shown on pages 49 to 51 in comparison with the portfolio of investments as at 30 April 2016 is analysed below:

Percentage of net assets:

	2016	2015
	%	%
Sovereign/Supranational Bonds	92.45	95.64
Treasury Bills	-	1.18
	-----	-----
	92.45	96.82
	=====	=====

Maltese Assets Fund

The composition of the portfolio of investments shown on pages 52 to 55 in comparison with the portfolio of investments as at 30 April 2016 is analysed below:

Percentage of net assets:

	2016	2015
	%	%
Sovereign/Supranational Bonds	7.10	7.58
Corporate Bonds	8.54	5.80
Equity Investments	75.43	76.58
Investments in Exchange Traded Funds	5.02	6.67
	-----	-----
	96.09	96.63
	=====	=====

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

10 Dividend distributions

During the year, the dividends declared and paid out of the Income Share Class of the Malta Government Bond Fund and the Maltese Assets Fund were as follows:

Ex-dividend date	Malta Government Bond Fund			Maltese Assets Fund		
	Rate per share	Dividends paid	Dividends declared	Rate per share	Dividends paid	Dividends declared
	EUR	EUR	EUR	EUR	EUR	EUR
1 Aug 2015	1.561	54,195	-	0.703	977	-
1 Nov 2015	1.498	51,422	-	-	-	-
1 Feb 2016	1.304	45,020	-	-	-	-
1 May 2016	1.402	-	47,996	1.707	-	2,036
1 Aug 2014	1.670	57,006	-	1.955	3,506	-
1 Nov 2014	1.823	62,266	-	-	-	-
1 Feb 2015	1.725	58,497	-	-	-	-
1 May 2015	1.448	-	49,923	0.128	-	414

Subsequent to year end, the Directors proposed to distribute a further final dividend amounting to EUR47,996 to the Income Share Class of the Malta Government Bond Fund and EUR2,036 to the Income Share Class of the Maltese Assets Fund. These amounts together with the related administrative fees have been transferred to the Distribution Account in accordance with the MFSA Investments Services Rules.

Following deduction of dividend administration fee, the net dividend payable to the Income Share Class of the Malta Government Bond Fund and the Maltese Assets Fund amounted to EUR44,958 (2015: EUR46,782) and EUR1,894 (2015: EUR214) respectively.

The dividend administration fee charged on the Malta Government Bond Fund and the Maltese Assets Fund for the financial year ended 30 April 2016 amounted to 0.0084% (30 April 2015: 0.0082%) and 0.0008% (30 April 2015: 0.0010%) of the closing Net Asset Value, respectively.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

11 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) Management fee

Under the terms of an agreement dated 16 November 1998 (as supplemented by Addenda dated 3 April 2000, 30 November 2006 and 5 July 2008), the Manager was appointed to be the investment management company of the Funds. An amended and re-stated Management Agreement dated 21 July 2014 was entered into between the Company and the Manager to set out the terms upon which the Manager accepts to act as AIFM in respect of the Company and the Funds. Fees paid to the Manager and any outstanding balances at the reporting date have been disclosed in note 8.

HSBC Global Asset Management (Malta) Ltd also holds founder shares as disclosed in note 5(g) to these financial statements.

During the year under review, the Manager received EUR1,679,689 (2015: EUR1,589,550) as management fees. Management fees amounting to EUR23,340 (2015: EUR163,556) were due to the Manager at 30 April 2016.

(b) Depositary and custodianship fee

Under the terms of an agreement dated 16 November 1998, the Company appointed HSBC Bank Malta p.l.c. as Custodian of the Funds. The Custodianship Agreement between the Company and HSBC Bank Malta p.l.c. was terminated on 20 July 2014. As a result, for the comparative period 1 May 2014 to 20 July 2014, custodian fees amounted to EUR20,374.

(c) Investment Account fee

During the year under review, HSBC Bank Malta p.l.c. received an aggregate investment account fee of EUR237,263 (2015: EUR331,052). Investment account fees amounting to EUR19,998 were due to the HSBC Bank Malta p.l.c. at 30 April 2016 (2015: EUR18,533).

As a service provider to the Funds, HSBC Bank Malta p.l.c. also received an aggregate dividend administration fee during the year amounting to EUR12,820 (2015: EUR12,461).

(d) Director's fees

No transactions were entered into with key management personnel other than the payment of the director's emoluments of EUR12,052 (2015: EUR11,200).

(e) Other related party fees

HSBC Bank Malta p.l.c. received EUR28,143 (2015: EUR11,225) as fees for stockbroking services rendered to the Funds during the year under review.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

11 Related party transactions (continued)

(f) Unitholding of related parties

As at the reporting date the Manager held 4 units (2015: 4 units) in the Malta Government Bond Fund – Accumulator Shares. Moreover, parties related to the Manager held 15,868 units (2015: 13,772 units) in the Maltese Assets Fund – Accumulator Shares. As at the reporting date, the Directors held 22 units (2015: 22 units) in the Maltese Assets Fund – Accumulator Shares.

As at 30 April 2016, all units in the Malta Government Bond Fund and Maltese Assets Fund were held under nominee by HSBC Bank Malta p.l.c..

(g) Investments in HSBC securities

Investments in securities issued by HSBC Group as at the reporting date amounted to EUR2,284,853 (2015: EUR2,618,548).

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks

12.1 Overview

The Funds are exposed to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Funds' exposure to each of the above risks, the Funds' objectives, policies and processes for measuring and managing risk, and the Funds' management of capital.

12.2 Risk management framework

The Funds' underlying investment portfolios comprise quoted and unquoted equity investments, quoted and unquoted debt investments, and investments in other quoted funds that are intended to be held for an indefinite period of time.

Asset allocation is determined by the Funds' Investment Manager who manages the distribution of the assets in line with the investment strategy of the relative Funds at the prevailing market circumstances.

The nature and extent of the financial instruments outstanding at the financial reporting date and the risk management policies employed by the Funds are discussed below.

12.3 Market Risk

Market risk embodies the potential for both losses and gains, and includes currency risk, interest rate risk and price risk.

Each Fund's relative strategy on the management of investment risk is driven by the Fund's investment objective, each of which is clearly outlined in the SICAV's prospectus. The Funds' market exposures within their relative Investment Restrictions is monitored on a daily basis by the Investment Manager. The Fund's overall market exposures are also monitored on a quarterly basis by the Board of Directors.

Details of the nature of the Funds' investment portfolio as at the financial reporting date are disclosed on pages 49 to 56.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.4 Currency Risk

The Funds may invest in financial instruments, and enter into transactions denominated in currencies other than the respective functional currency. Consequently, the Funds are exposed to risks that the exchange rate of the functional currencies relative to other foreign currencies may change in a manner that have an adverse effect on the value of that portion of the Funds' assets denominated in currencies other than the functional currency.

The Funds' currency risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

As at the reporting date the Funds had the following open currency exposures:

	30 April 2016	30 April 2015
	% of Net Assets	% of Net Assets
<i>Malta Government Bond Fund</i>		
US Dollars	1.9%	1.9%
Pound Sterling	0.4%	0.4%
<i>Maltese Assets Fund</i>		
US Dollars	8.4%	9.2%
Pound Sterling	2.7%	2.7%

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.4 Currency Risk (continued)

Sensitivity Analysis

As at 30 April 2016, had the Euro, the functional currency of each Fund strengthened by 5% in relation to the other currencies with all other variables held constant, net assets attributable to holders of redeemable units would have decreased by the amounts shown below.

	30 April 2016 EUR	30 April 2015 EUR
<i>Malta Government Bond Fund</i>		
US Dollars	144,000	144,000
Pound Sterling	27,000	28,000
<i>Maltese Assets Fund</i>		
US Dollars	217,000	194,000
Pound Sterling	69,000	57,000

A 5% weakening of the functional currency against these currencies with all other variables held constant would have resulted in an equal but opposite effect on the above financial statement amounts.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.5 Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds a limited amount of euro-denominated floating rate debt, cash and cash equivalents that expose the Fund to cash flow interest rate risk.

Malta Government Bond Fund

The majority of the Fund's financial assets are interest-bearing and as a result, the Fund is subject to a reasonable exposure to fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Maltese Assets Fund

Albeit the majority of the Fund's portfolio is invested in equities, the Fund holds a reasonable exposure in interest-bearing assets, and as a result, the Fund is also subject to a fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Exposure to interest rate risk

The carrying amount of interest bearing financial assets represents the maximum interest rate exposure. The maximum exposure to interest rate risk at the reporting date was as follows:

Malta Government Bond Fund

	2016		2015	
	% of Net Assets	EUR	% of Net Assets	EUR
Debt securities	92.45	136,427,003	96.82	147,986,264
Fixed deposits	0.94	1,394,529	0.91	1,383,751
Non-interest bearing assets	6.75	9,965,771	2.67	4,088,099
	-----	-----	-----	-----
	100.14	147,787,303	100.40	153,458,114
	=====	=====	=====	=====

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.5 Interest Rate Risk (continued)

Exposure to interest rate risk (continued)

Maltese Assets Fund

	2016		2015	
	% of Net Assets	EUR	% of Net Assets	EUR
Debt securities	15.64	8,127,571	13.38	5,661,407
Non-interest bearing assets	84.48	43,899,577	86.93	36,780,981
	-----	-----	-----	-----
	100.12	52,027,148	100.31	42,442,388
	=====	=====	=====	=====

Sensitivity Analysis

The Funds' interest rate risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Funds' overall interest rate risk is monitored on a quarterly basis by the Board of Directors.

The table below sets out the impact on the relative net assets of each Fund as at 30 April 2016, in the event that worldwide yield curves experience a parallel 25bps / 50bps shift upwards or downwards.

Yield Curve Shift

	30 April 2016 EUR	30 April 2015 EUR
<i>Malta Government Bond Fund</i>		
+25bps	(2,508,000)	(2,567,000)
-25bps	2,508,000	2,567,000
+50bps	(5,017,000)	(5,134,000)
-50bps	5,017,000	5,134,000
<i>Maltese Assets Fund</i>		
+25bps	(141,000)	(77,000)
-25bps	141,000	77,000

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.5 Interest Rate Risk (continued)

Exposure to interest rate risk (continued)

Sensitivity Analysis (continued)

	30 April 2016	30 April 2015
	EUR	EUR
<i>Maltese Assets Fund</i>		
+50bps	(281,000)	(153,000)
-50bps	281,000	153,000

12.6 Other Price Risk

Other price risk is the risk that value of the underlying assets will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk). These can arise from factors specific to an individual investment or its issuer (idiosyncratic risk), or from factors affecting total market sentiment (systemic risk).

Idiosyncratic price risk is managed through constructing a diversified portfolio of instruments traded on various markets. Systemic risk cannot be eliminated by diversification and investors in the respective Funds are subject to the Funds' relative systemic market risk.

As the majority of the Funds' financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect the Funds' financial statements.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.6 Other Market Risk (continued)

Exposure to other price risk

The carrying amount of the following financial assets and liabilities represents the maximum other price exposure. The maximum exposure to other price risk at the reporting date was as follows:

Maltese Assets Fund					
		2016		2015	
	Note	% of Net Assets	EUR	% of Net Assets	EUR
Equity	9	75.43	39,198,498	76.58	32,399,365
Exchange Traded Funds	9	5.02	2,608,646	6.67	2,823,307
		-----	-----	-----	-----
		80.45	41,807,144	83.25	35,222,672
		=====	=====	=====	=====

Sensitivity to other price risk

The sensitivity for equity and exchange traded funds price risk illustrates how changes in the fair value of such investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the investments' strategy, or factors affecting all similar underlying investments traded in the market. A change in the prices of equities and exchange traded funds of 10%, with all other variables held constant, would have resulted in a corresponding change in the net assets attributable to the holders of redeemable units of the Maltese Assets Fund of approximately EUR4,180,700 (2015: EUR3,522,000).

12.7 Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the respective Fund.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.7 Credit Risk (continued)

Exposure to credit risk

The carrying amount of the following financial assets represents the maximum credit exposure at the reporting date:

30 April 2016		Combined	Malta Government Bond Fund	Maltese Assets Fund
	Note	EUR	EUR	EUR
Debt securities	9	144,554,574	136,427,003	8,127,571
Fixed deposits		1,394,529	1,394,529	-
Accrued income		1,355,643	1,067,565	288,078
Subscriptions receivable		7,584	-	7,584
Settlements receivable		31,417	-	31,417
Bank balances		10,632,360	8,872,934	1,759,426
		----- 157,976,107 -----	----- 147,762,031 -----	----- 10,214,076 -----

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.7 Credit Risk (continued)

Exposure to credit risk (continued)

The carrying amount of the following financial assets represents the maximum credit exposure at the reporting date:

30 April 2015	Combined	Malta Government Bond Fund	Maltese Assets Fund	Maltese Money Market Fund
	EUR	EUR	EUR	EUR
Debt securities	153,647,671	147,986,264	5,661,407	-
Fixed deposits	1,383,751	1,383,751	-	-
Accrued income	1,378,925	1,182,511	196,414	-
Subscriptions receivable	62,665	50,209	12,456	-
Settlements receivable	14,424	-	14,424	-
Bank balances	4,175,750	2,834,990	1,328,134	12,626
	----- 160,663,186	----- 153,437,725	----- 7,212,835	----- 12,626

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.7 Credit Risk (continued)

Malta Government Bond Fund

The investment objective of the Fund is to achieve long term capital growth, primarily through investment in debt securities issued by the Government of Malta.

Local Malta Government Stocks including accrued interest as at 30 April 2016 constituted 83.12% (30 April 2015: 88.27%) of the Fund's net assets. No Malta Government Stock is rated by S&P, Moody's or Fitch. However, the Government of Malta carries a BBB+ rating by S&P and an A3 rating by Moody's.

Only up to 15% of the total assets of the Fund may be invested in non-Maltese issuers. As at 30 April 2016, investment in these assets amounted to 9.8% of portfolio (30 April 2015: 7.84%).

The credit quality of the assets invested in non-Maltese issuers as at 30 April 2016 is summarised below:

Credit Rating	30 April 2016	30 April 2015
	% Exposure	% Exposure
AAA	1.19	1.11
AA+	0.19	0.19
AA	1.36	0.55
AA-	0.93	0.91
A+	0.16	0.34
A	-	1.12
A-	0.63	2.00
BBB+	4.68	0.80
BBB	-	0.48
BBB-	0.66	0.34

Maltese Assets Fund

The investment objective of the Fund is to achieve long term capital growth, through the investment in a diversified portfolio of equity holdings and of interest-earning holdings.

Local Malta Government Stocks including accrued interest as at 30 April 2016 constituted 7.15% (30 April 2015: 7.58%) of the Fund's net assets. No Malta Government Stock is rated by either S&P, Moody's or Fitch. However, the Government of Malta carries a BBB+ rating by S&P and an A3 rating by Moody's.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.7 Credit Risk (continued)

Maltese Assets Fund (continued)

As at 30 April 2016, 8.54% of the portfolio (30 April 2015: 5.80%) was invested in the local corporate bond market. Here again none of the local corporate bonds is actually rated by any of the major credit rating companies. However, the Investment Manager undertakes a rigorous risk assessment on each issuer to internally establish the risk reward profile of all major local corporate bonds.

Only up to 15% of the total assets of the Fund may be invested in non-Maltese issuers. However, as at 30 April 2016, there was no investment in non-Maltese sovereign and corporate bonds (30 April 2015: nil).

The Fund's credit risk exposure is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

Maltese Money Market Fund

As at 30 April 2015, the Fund has divested of its portfolio of investments and its remaining exposure to credit risk mainly lied in its bank deposits with HSBC Bank Malta p.l.c.. HSBC Bank Malta p.l.c. is not rated by either S&P, Moody's or Fitch, however, the ultimate parent HSBC Holdings p.l.c. is rated A by S&P, A1 by Moody's and AA- by Fitch.

12.7.1 Offsetting financial assets and financial liabilities

None of the financial assets and liabilities are offset in the Statement of Financial Position. The Company has no enforceable master netting agreement in place that otherwise would provide the Company, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

12.8 Settlement Risk

Settlement risk is the risk of loss due to failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. The Investment Manager monitors the financial positions of the brokers used to further mitigate this risk.

Substantially most of the assets of the Funds are held with a sub-custodian of Deutsche Bank AG Dublin Branch (appointed on 29 April 2016), as Depository. Bankruptcy or insolvency of the custodian may cause the Funds' rights with respect to securities held by the custodian to be delayed or limited.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.9 Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Malta Government Bond Fund and Maltese Assets Fund

The Funds' constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The major part of these Funds' underlying securities are considered to be readily realisable since they are all listed on the Malta Stock Exchange, or on other major European and US Stock Exchanges. The Maltese Assets Fund has an investment comprising of an unlisted security, making 0.75% (2015: 1.57%) of net assets which is not considered to be readily realisable.

The Funds' liquidity risk is managed on a weekly basis by the Investment Manager in accordance with policies and procedures in place. The Funds' overall liquidity risks are monitored on a quarterly basis by the Board of Directors.

The Funds are allowed to borrow up to 100% of their net asset value for liquidity purposes.

The Prospectus contains special provisions which allow the Directors to limit the total number of units which may be repurchased on any Dealing Day to 5% of the outstanding units in any Fund. In such an event the Director will reduce all valid repurchase requests pro rata to the said 5% of the units and shall repurchase the excess of the units on the next Dealing Day, subject to the Director's same power of deferral until the original repurchase requests have been fully satisfied.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.10 Fair values of financial instruments

The Funds' financial instruments are carried at fair value on the statement of financial position. For the Funds' investments, quoted market prices are available and therefore these are valued at their mid market price. For the remaining financial instruments, including receivables, cash balances, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate short-term nature of these financial instruments.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted market prices (unadjusted) in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs, other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.10 Fair values of financial instruments (continued)

Malta Government Bond Fund

	Level 1	Level 2	Level 3	Total
30 April 2016				
Financial assets designated at fair value through profit or loss	136,427,003	-	-	136,427,003
	136,427,003	-	-	136,427,003
30 April 2015				
Financial assets designated at fair value through profit or loss	147,986,284	-	-	147,986,284
	147,986,284	-	-	147,986,284

Maltese Assets Fund

	Level 1	Level 2	Level 3	Total
30 April 2016				
Financial assets designated at fair value through profit or loss	49,544,544	-	390,171	49,934,715
	49,544,544	-	390,171	49,934,715
30 April 2015				
Financial assets designated at fair value through profit or loss	40,221,696	-	662,383	40,884,079
	40,221,696	-	662,383	40,884,079

HSBC No-Load Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 30 April 2016

12 Financial instruments and associated risks (continued)

12.10 Fair values of financial instruments (continued)

Financial assets measured at level 3

During the year, financial assets designated at fair value through profit or loss in the Maltese Assets Fund portfolio, with a carrying amount of EUR390,171 were classified as having Level 3 inputs. Due to lack of observable market inputs, the fair value of these assets was determined by reference to the average of (a) net asset value per unit of the company plus a premium for goodwill and (b) earnings and EBITDA multiples.

All Funds

There were no reclassifications of financial assets during the year ended 30 April 2016 (2015: nil).

13 Events subsequent to the reporting date

The agreement with Deutsche Bank AG, Dublin Branch as the depositary of the Company terminates on the 30 September 2016, which date may be subject to a one time and final extension to end on 31 December 2016. By such date, the Fund and the Manager shall have identified and appointed a replacement for Deutsche Bank AG, Dublin Branch.

HSBC No-Load Funds SICAV p.l.c.

General information (for annual report for the period 1st May 2015 to 30th April 2016)

1 Authorisation

HSBC No-Load Funds SICAV p.l.c. is a collective investment scheme organised as a multi fund investment company with variable share capital. The Company was registered on 11 November 1998 under the Companies Act, Chapter 386 of the Laws of Malta, and is licensed and regulated by the Malta Financial Services Authority as a collective investment scheme in virtue of the Investment Services Act, Chapter 370 of the Laws of Malta. The share classes of the Fund are listed on the Malta Stock Exchange.

2 Management fees and other expenses

(a) Management fees

The Manager is entitled to a management fee of 0.785% per annum from the Malta Government Bond Fund, and 1.060% per annum from the Maltese Assets Fund, based on the Net Asset Value of each respective Fund on each Dealing Day, payable monthly in arrears.

(b) Administration fees

As of the 21 July 2014, the Administrator Fees (charged by Deutsche International Corporate Services (Ireland) Ltd.) range between 0.10% and 0.12% of Net Assets* depending on the amount of Net Assets subject to a minimum of €8,334 per month for each Fund.

** Net Assets refer to the aggregate Net Asset Value of all the Funds managed by HSBC Global Asset Management (Malta) Limited and which are party to an agreement with Deutsche International Corporate Services (Ireland) Limited as their Administrator.*

(c) Registrar fees

No charges are levied by the Administrator for acting as Registrar to the Company.

(d) Secretarial fees

Ganado Services Limited charges a fee of EUR2,000 (excluding VAT) per annum for 16 hours of work for acting as Company Secretary to the Company. Additional hours are charged on a time spent basis.

HSBC No-Load Funds SICAV p.l.c.

General information (for annual report for the period 1st May 2015 to 30th April 2016)

2 Management fees and other expenses (continued)

(e) Depositary fees

In terms of the Depositary Agreement between the Company and Deutsche Bank AG, Dublin Branch, the Depositary received a depositary services fee. The fees applicable for the depositary services range between 0.025% to 0.04% p.a. of Net Assets* depending on the amount of Net Assets.

The above depositary services fees are subject to a minimum fee of €1,500 per month, for each Fund.

** Net Assets are the aggregate net assets held by the funds managed by HSBC Global Asset Management (Malta) Limited and which are party to a depositary agreement with Deutsche Bank AG, Dublin Branch as their depositary (together, the "Funds").*

Furthermore, Deutsche Bank A.G. London as sub-custodian of the Depositary charges Custody fees as follows:

Maltese Market	0.03% for Treasury-Bills
	0.04% for other fixed income and equity securities
Foreign Markets	Ranging from 0.008% to 0.066% depending on the relevant Foreign Market

The depositary services fees and the fees payable to the sub-custodian are exclusive of out-of-pocket expenses and are payable monthly in arrears, plus VAT (if any).

(f) Fees charged by the Service Provider

The Service Provider charges the following investment account fees:

- Malta Government Bond Fund – 0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €23.29 and a maximum of €116.47.
- Maltese Assets Fund – 0.125% per annum charged to the Fund on the value of shares held in the investment account of each investor, with a minimum of €23.29 and a maximum of €116.47.

(g) Dividend administration fee

The Service Provider charges EUR4.66 per investor eligible to receive the dividend on every dividend distribution. This fee is directly chargeable to that part of the relevant Fund's income attributable to the class of shares in respect of which the dividend has been paid. The fee is not chargeable if a dividend is not declared by the Fund.

(h) General

All fees may be increased with the agreement of the Company, and the members shall be notified accordingly. Further details on any aspect of the above or further details on other specific charges applicable to any of the Funds will be made available upon request and in accordance with applicable regulations.

HSBC No-Load Funds SICAV p.l.c.

General information (for annual report for the period 1st May 2015 to 30th April 2016)

2 Management fees and other expenses (continued)

(i) Management agreement

HSBC Global Asset Management (Malta) Limited was appointed by the Company to provide investment services and administrative services to the Company and its Funds by virtue of an agreement dated 16 November 1998. This agreement was supplemented by Addenda dated 3 April 2000, 30 November 2006, 1 October 2007, 5 July 2008 and 1 December 2008.

An amended and re-stated Discretionary Investment Management Agreement dated 21 July 2014 was entered into between the Company and the Manager to set out the terms upon which the Manager accepts to act as AIFM in respect of the Company and the Funds.

A copy of the Management Agreement is available for inspection at the registered office of the Company and the registered office of the Manager.

(j) Administration agreement

The Company and the Manager appointed Deutsche International Corporate Services (Ireland) Limited as Administrator from 12 February 2014. The Company and the Manager have agreed to the delegation of certain administration functions of the Company and the Funds including acting as Registrar, to Deutsche International Corporate Services (Ireland) Limited.

An amended and re-stated Administration Agreement dated 21 July 2014 was entered into between Deutsche International Corporate Services (Ireland) Limited as Fund Administrator, the Company and the Manager for the purposes of appointing the Administrator to provide administration, register and transfer agency services to the Company and to reflect the responsibility of the Manager under AIFMD and AIFMR in ensuring the proper valuation of the assets and the calculation of the Company's net asset value.

A Supplemental Agreement to the Fund Administration Agreement was entered into on 8th May 2015 to remove the obligation of the Administrator to prepare the Company's interim and annual financial statements.

A copy of the Administration Agreement is available for inspection at the registered office of the Company and the registered office of the Administrator.

(k) Service Provider Agreement

An agreement dated 31 July 2013 was entered into between the Company, the Manager and HSBC Bank Malta p.l.c. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold shares in the Company. This agreement was terminated on 20 July 2014.

On 21 July 2014, a new agreement was entered into between the Company and HSBC Bank Malta p.l.c.. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold shares in the Company.

HSBC No-Load Funds SICAV p.l.c.

General information (for annual report for the period 1st May 2015 to 30th April 2016)

2 Management fees and other expenses (continued)

(k) Service Provider Agreement (continued)

A copy of the Service Provider Agreement is available for inspection at the registered office of the Company and the Service Provider.

(l) Depositary agreement (previously known as ‘Custodianship agreement’)

Under the terms of an agreement dated 16 November 1998, the Company appointed HSBC Bank Malta p.l.c. as Custodian of the Funds. The Custodianship Agreement between the Company and HSBC Bank Malta p.l.c. was terminated on 20 July 2014.

The Company and the Manager have entered into a Depositary Agreement with Deutsche Bank (Malta) Limited, effective 21 July 2014, under the terms of which Deutsche Bank (Malta) Limited was appointed as the depositary of the Company and its Sub-Funds in accordance with the requirements of the AIFMD.

A Novation Agreement effective 29th April 2016, was entered into between the Company, the Manager, Deutsche Bank (Malta) Limited and Deutsche Bank AG, Dublin Branch to substitute Deutsche Bank AG, Dublin Branch as depositary of the Fund. By virtue of this Agreement, the Company and the Manager have appointed Deutsche Bank AG, Dublin Branch, as the depositary of the Company and its Sub-Funds in accordance with the requirements of the AIFMD.

The appointment of Deutsche Bank AG, Dublin Branch as the depositary of the Company shall end on the 30 September 2016 which date may be subject to a one time and final extension to end on 31 December 2016. By 31 December 2016, the Fund and the Manager shall have identified and appointed a replacement for Deutsche Bank AG, Dublin Branch.

(m) Engagement to provide accounting services

By virtue of a letter of engagement dated 8th May 2015, KPMG was engaged to provide technical advice and assistance in connection with the form, content and disclosure requirements of the Company’s financial statements.

3 Risk warning

Past performance is not necessarily a guide to future performance. The value of investments and the currency in which these are denominated may go down as well as up and investors may not always get back their initial investment. Investments in collective investment schemes should be regarded as a medium to long term investment.

This Annual Report does not constitute an offer of units in the Funds. The opinions expressed are given in good faith and should not be construed as investment and/or tax advice.

HSBC No-Load Funds SICAV p.l.c.

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4 Changes to the Company's documents during the reporting year

By virtue of a Supplemental Statement dated 29 April 2016 the Prospectus of the Company as lodged at the Registrar of Companies on 14 April 2015, was amended to replace any reference in the Prospectus to Deutsche Bank (Malta) Limited with reference to Deutsche Bank AG, Dublin Branch.

5 Prospectus

Copies of the latest Prospectus are available free of charge from the Manager and all HSBC Bank Malta p.l.c. branches. Persons wishing to invest in the Funds should do so on the basis of the full information contained in the Prospectus.

6 Remuneration Policy and Practices Disclosure Requirements

During the application process, the Company was granted a derogation from the MFSA from the requirements of Article 13 of the AIFMD and Appendix 12 of the Rules.

The Remuneration policy on fixed pay (base salary and fixed allowances) is determined by the Bank's Collective Agreement Salary band increases (split by rating and grade). The variable pay (discretionary performance bonus) is established via a structured process as part of the performance management system and depends on individual contribution together with Bank/Company performance. The bonus pot and policy is agreed by the Bank's local and Group Remuneration Committee (REMCO) and approved by HSBC Bank Malta's Board of Directors.

Pay and performance are directly linked to the individual's achievement against set objectives which are both financial and behavioural in nature. Objectives are agreed by the employee and Management beforehand.

HSBC Global Asset Management (Malta) Limited had an average staff complement of 12 employees. One of these employees occupies an Executive and Senior Management position as per HSBC Group definition of Senior Management. In 2015, the total fixed remuneration, including wages, salaries, allowances and share-based payments, amounted in total to €350,704 (2014: €395,917) and the variable element amounted to €47,085 (2014: €40,703). Variable remuneration, based on performance, was paid in cash. The total Directors' emoluments incurred by HSBC Global Asset Management (Malta) Limited during the year were €79,443 (2014: €72,022).

There are a number of non-cash benefits provided to all HSBC Bank Malta employees which also apply to HSBC Global Asset Management (Malta) Limited employees such as subsidised Bank products, fee free products, nursing services, subsidised medical health insurance, periodical medical check-ups and death in service benefit.

There were no outstanding amounts of deferred remuneration and none was awarded in 2015. There were no new sign-on and severance payments made in 2015 and none were awarded during the year.

The Manager's income is dependent upon funds under management, and therefore the profit available for distribution under the Policy is dependent upon the performance of the funds.

The remuneration disclosed above relates to the year ended 31 December 2015.

Information regarding the remuneration attributable to HSBC No-Load Funds SICAV p.l.c. is not available and therefore not disclosed.

HSBC No-Load Funds SICAV p.l.c.

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7 Further information

You can obtain further information on the HSBC No-Load Funds SICAV p.l.c. by contacting any HSBC Bank Malta p.l.c. branch and seeking the assistance of qualified staff who are authorised to give investment advice on the Funds.

Alternatively, call customer service on 2380 2380.